AADHAR HOUSING FINANCE LIMITED

Aadhar Housing Finance Limited **(**formerly known as DHFL Vysya Housing Finance Limited**)** (the **"Company" or "Issuer")** was incorporated at Bengaluru as Vysya Housing Finance Limited on November 26, 1990 as a Public Limited Company under the provisions of the Companies Act, 1956. Our Company's name was subsequently changed to "DHFL Vysya Housing Finance Limited" on October 9, 2003 and thereafter to "Aadhar Housing Finance Limited" on December 4, 2017, pursuant to Scheme of Amalgamation approved by the National Company Law Tribunal, Bengaluru dated October 27, 2017. For more information about the Company, please refer "*General Information*" and "*History and Other Corporate Matters"* on page 35 and 104.

Registered Office: No. 3, **'**JVT Towers**'**, 8th A Main Road, Sampangi Rama Nagar, Bengaluru – 560 027, Karnataka, India; **Tel**: +91 80 2221 7637/ 2227 6764; **Fax**: +91 80 2229 0568
Corporate Office: 201, Raheja Point -1, Near Shamrao Vithal Bank, Nehru Road, Vakola, Santacruz (E), Mumbai – 400 055, Maharashtra, India; **Website**: www.aadharhousing.com;
CIN: U66010KA1990PLC011409; **Company Secretary and Compliance Officer**: Mr. Sreekanth V. N.**; Email:** complianceofficer@aadharhousing.com

PUBLIC ISSUE BY THE COMPANY OF 3,00,00,000 SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES ("NCDs") OF FACE VALUE OF ₹ 1,000 EACH AGGREGATING UP TO ₹ 3,00,000 LAKH ("SHELF LIMIT") ("ISSUE"). THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH BEING A "TRANCHE ISSUE"), WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENT").

THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.

OUR PROMOTER

Our promoter **is** Wadhawan Global Capital Limited. For further details, please refer to the chapter "*Our Promoter*" on page 125.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the chapter titled "*Risk Factors*" beginning on page 11 and "*Material Developments*" beginning on page 197, the Shelf Prospectus and in the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), National Housing Bank ("**NHB**"), the Registrar of Companies, Karnataka, Bengaluru ("**ROC**") or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

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 refer to the chapter titled "*Issue Structure*" on page 233.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated 'CARE AA+ (SO) ((Pronounced as CARE Double A Plus Structured Obligation); Outlook: Stable)' for an amount of ₹ 3,00,000 lakh, by CARE Ratings Limited ("**CARE**") *vide* their letter dated July 6, 2018 and 'BWR AA+ (SO) (Pronounced as BWR Double A Plus (Structured Obligation)), Outlook: Stable (for an amount of ₹ 3,00,000 lakh, by Brickwork Ratings India Private Limited ("**Brickwork**") *vide* their letter dated July 6, 2018. The rating of CARE AA+ (SO); Outlook: Stable by CARE and BWR AA+ (SO), Outlook: Stable by Brickwork indicate that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see Annexure A and B to this Draft Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings. Please refer to Annexures A and B of this Draft Shelf Prospectus for rating letters and rationale for the above ratings.

LISTING

The NCDs offered through this Draft Shelf Prospectus along with the Shelf Prospectus and relevant Tranche Prospectus are proposed to be listed on BSE Limited ("**BSE**"). Our Company has received an 'in-principle' approval from BSE *vide* its letter no. [●] dated [●]. BSE shall be the designated stock exchange for this Issue.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated July 9, 2018 has been filed with the BSE, pursuant to the provisions of the SEBI Debt Regulations and is open for public comments for a period of seven Working Days (upto 5 p.m.) from the date of filing of the Draft Shelf Prospectus with the Designated Stock Exchange. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer of our Company. Comments may be sent through post, facsimile or e-mail. However, please note that all comments by post must be received by the Issuer by 5:00 p.m. on the seventh Working Day from the date on which this Draft Shelf Prospectus is hosted on the website of the Designated Stock Exchange.

LEAD MANAGERS TO THE ISSUE

YES Securities (India) Limited
IFC, Tower 1 & 2, Unit no. 602 A
6th Floor, Senapati Bapat Marg
Elphinstone Road, Mumbai – 400 013
Tel: +91 22 7100 9829
Fax: +91 22 2421 4508
Email:aadharncd2018@yessecuritiesltd.in
Investor Grievance Email:
igc@yessecuritiesltd.in
Website: www.yesinvest.in
Contact Person: Mr. Mukesh Garg/
Mr. Pratik Pednekar
SEBI Regn. No.: INM000012227

Edelweiss Financial Services Limited
Edelweiss House,
Off CST Road
Kalina, Mumbai – 400 098
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: aadhar.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Mandeep Singh/
Mr. Lokesh Singhi
SEBI Regn. No.: INM0000010650

YES Bank Limited
YES Bank Tower, 19th Floor
Indiabulls Finance Center
Senapati Bapat Marg,
Elphinstone Road, Mumbai – 400 013
Tel: +22 22 3372 9191
Fax: +91 22 2421 4509
Email: aadharncd2018@yesbank.in
Investor Grievance Email:
merchantbanking@yesbank.in
Website: www.yesbank.in
Contact Person: Mr. Sushil Budhia
SEBI Regn No.: INM000010874

Axis Bank Limited
Axis House, 8th Floor, C-2
Wadia Internationa
l Centre,
P.B. Marg, Worli, Mumbai – 400 025
Tel: +91 22 2425 3803
Fax: +91 22 2425 3800
Email: ahfljuly.2018@axisbank.com
Investor Grievance Email:
sharad.sawant@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Vikas Shinde
SEBI Regn. No.: INM000006104

A. K. Capital Services Limited
30-39 Free Press House
3rd Floor, Free Press Journal Marg
215 Nariman Point, Mumbai – 400 021
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Email: aadhar.ncd2018@akgroup.co.in
Investor Grievance Email:
investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Mr. Malay Shah/
Mr. Krish Sanghvi
SEBI Regn. No.: INM000010411

LEAD MANAGERS TO THE ISSUE

Green Bridge Capital Advisory Private Limited
519-520, The Summit Business Bay Behind
Gurunanak Petrol Pump, Andheri Kurla Road
Andheri East, Mumbai – 400 093
Tel: +91 22 4928 9600
Fax: +91 22 4928 9650
Email: prashant.chaturvedi@greenbridge.in
Investor Grievance e-mail:
investor.complaints@greenbridge.in
Website: www.greenbridge.in
Contact Person: Mr. Prashant Chaturvedi
SEBI Regn. No: INM000012430

Trust Investment Advisors Private Limited
109/110, Balarama, BKC
Bandra (E),
Mumbai – 400 051
Tel: +91 22 4084 5000
Fax: +91 22 4084 5007
Email: mbd.trust@trustgroup.in
Investor Grievance Email:
customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Vikram Thirani
SEBI Regn. No.: INM000011120

DEBENTURE TRUSTEE

Beacon Trusteeship Limited
4C&D, Siddhivinayak Chambers
Gandhi Nagar, Opp MIG Cricket Club Bandra
(E), Mumbai – 400 051
Tel: +91 22 2655 8759
Fax: +91 22 2655 8761
Email: vitthal@beacontrustee.in
Investor Grievance Email:
contact@beacontrustee.in
Website: www.beacontrustee.in
Contact Person: Mr. Vitthal Nawandhar
SEBI Regn. No.: IND000000569

REGISTRAR TO THE ISSUE

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32 Financial
District, Nanakramguda Gachibowli,
Hyderabad – 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: einward.ris@karvy.com
Investor Grievance Email:
ahfl.ncdipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Regn. No: INR000000221

ISSUE PROGRAMME**

Issue opens on: As specified in the relevant Tranche Prospectus	**Issue closes on**: As specified in the relevant Tranche Prospectus

* *Beacon Trusteeship Limited under regulation 4(4) of SEBI Debt Regulations has by its letter dated June 8, 2018 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Offer Document and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.*

** *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 relevant Tranche 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 Management Committee, thereof, subject to relevant approvals. 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 a daily national newspaper with wide circulation 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 BSE.*

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the ROC in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to the chapter titled "Material Contracts and Documents for Inspection" on page 280.

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SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "the Issuer", "our Company", "the Company" or "AHFL" are to Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited), a public limited company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at No. 3, 'JVT Towers', 8th A Main Road, Sampangi Rama Nagar, Bengaluru – 560 027, Karnataka, India. Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "we" or "us" or "our" are to our Company and its Subsidiary, on a consolidated basis.

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

Company related terms

Term	Description
AFSL	Avanse Financial Services Limited
AoA/ Articles/ Articles of Association	Articles of Association of our Company
Board/ Board of Directors	Board of Directors of our Company
Consortium/ Members of the Consortium (each individually, a Member of the Consortium)	The Lead Managers and Consortium Members
Consortium Agreement	Consortium Agreement dated [●] among our Company and the Consortium
Consortium Members	[●]
Corporate Office	201, Raheja Point - 1, Near Shamrao Vithal Bank, Nehru Road, Vakola, Santacruz (E), Mumbai – 400 055, Maharashtra, India
CrPC	Code of Criminal Procedure, 1973, as amended from time to time
Director	Director of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ₹ 10 each
IFC	International Finance Corporation
Group Companies	Companies identified as our Related parties for the Fiscal 2018, except IFC. For details please see "*Financial Information*" on page 126
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company
Management Committee	The committee constituted and authorised by our Board of Directors to take necessary decisions with respect to the Issue by way a board resolution dated May 11, 2018
Reformatted Consolidated Financial Statements	The statement of reformatted consolidated assets and liabilities as at March 31, 2018 and the statement of reformatted consolidated statement of profit and loss for the Fiscal 2018 and the statement of reformatted consolidated cash flow for the Fiscal 2018 as examined by the Joint Statutory Auditors Our audited consolidated financial statements as at and for the year ended March 31, 2018 form the basis for such Reformatted Consolidated Financial Statements
Reformatted Standalone Financial Statements	The statement of reformatted standalone assets and liabilities as at March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 and the statement of reformatted standalone statement of profit and loss for the Fiscals 2014, 2015, 2016, 2017 and 2018 and the statement of reformatted standalone cash flow for the Fiscals 2014, 2015, 2016, 2017 and 2018 as examined by the Joint Statutory Auditors Our audited standalone financial statements as at and for the years ended March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 form the basis for such Reformatted Standalone Financial Statements

Term	Description
Reformatted Financial Statements	Reformatted Consolidated Financial Statements and Reformatted Standalone Financial Statements
Registered Office	No. 3, 'JVT Towers', 8th A Main Road, Sampangi Rama Nagar, Bangalore Bengaluru – 560 027, Karnataka, India
RoC	Registrar of Companies, Karnataka at Bangalore
Joint Statutory Auditors/ Auditors	The joint statutory auditors of our Company, namely M/s Deloitte Haskins & Sells LLP, *Chartered Accountants* and M/s Chaturvedi SK & Fellows, *Chartered Accountants*
Subsidiary/ ASSPL	The subsidiary of our Company, Aadhar Sales and Services Private Limited
Promoter/ WGCL	Wadhawan Global Capital Limited (formerly known as Wadhawan Global Capital Private Limited)

Issue related terms

Term	Description
Allotment/ Allot/ Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue
Applicant/ Investor	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus and the Application Form for any Tranche Issue
Application	An application to subscribe to the NCDs offered pursuant to this Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the respective Tranche Prospectus
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA or non-ASBA process, in terms of the Shelf Prospectus and respective Tranche Prospectus
"ASBA" or "Application Supported by Blocked Amount" or "ASBA Application"	The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Application Amount of an ASBA Applicant
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the Escrow Accounts and/or Public Issue Accounts and/or Refund Accounts will be opened by our Company in respect of the Issue, and as specified in the relevant Tranche Prospectus for each Tranche Issue
Base Issue Size	As will be specified in the relevant Tranche Prospectus for each Tranche Issue
Basis of Allotment	As will be specified in the relevant Tranche Prospectus for each Tranche Issue
Brickwork/ BWR	Brickwork Ratings India Private Limited
BSE	BSE Limited
Category I Investor	• Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Mutual Funds registered with SEBI • Venture Capital Funds/ Alternative Investment Fund registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations;

Term	Description
	• 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, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹50,000 lakh as per the last audited financial statements; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
Category II Investor	• Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • 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 Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakh across all series of NCDs in Issue
Category IV Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakh across all series of NCDs in Issue
Collection Centres	Collection Centres shall mean those branches of the Bankers to the Issue/Escrow Collection Banks that are authorized to collect the Application Forms (other than ASBA) as per the Escrow Agreement to be entered into by us, Bankers to the Issue, Registrar and the Lead Managers
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CARE and Brickwork
CARE	CARE Ratings Limited
CRISIL	CRISIL Limited
Crisil Reports	CRISIL Research - Affordable Housing Finance Report and CRISIL Research - HFC Report
CRISIL Research	A division of CRISIL that has prepared the Crisil Reports
Debenture Trustee Agreement	The agreement dated June 28, 2018 entered into between the Debenture Trustee and our Company
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company
Debenture Trustee/ Trustee	Debenture Trustee for the Debenture Holders, in this Issue being Beacon Trusteeship Limited
Debt Application Circular	Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012
Deemed Date of Allotment	The date on which the Board of Directors or the Management Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or the Management Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form
Depositories Act	The Depositories Act, 1996, as amended from time to time

Term	Description
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which Application Amounts are transferred from the Escrow Accounts to the Public Issue Accounts or the Refund Account, as appropriate and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) following which the Board or the Management Committee, shall Allot the NCDs to the successful Applicants, provided that the sums received in respect of the Issue will be kept in the Escrow Accounts up to this date
Designated Stock Exchange	BSE Limited
Draft Shelf Prospectus	This Draft Shelf Prospectus dated July 9, 2018 filed by our Company with the Designated Stock Exchange for receiving public comments, in accordance with the provisions of the SEBI Debt Regulations
Escrow Accounts	Accounts opened with the Escrow Collection Bank(s) into which the Members of the Consortium and the Trading Members, as the case may be, will deposit Application Amounts from resident non-ASBA Applicants, in terms of the Shelf Prospectus, relevant Tranche Prospectus and the Escrow Agreement
Escrow Agreement	Agreement dated [●] entered into amongst our Company, the Registrar to the Issue, the Lead Managers, Refund Bank(s) and the Escrow Collection Banks for collection of the Application Amounts from non-ASBA Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof
ICRA	ICRA Limited
Interest Payment Date	Interest Payment Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue	Public issue by our Company of NCDs of face value of ₹ 1,000 each pursuant to the Shelf Prospectus and the relevant Tranche Prospectus for an amount upto an aggregate amount of the Shelf Limit. The NCDs will be issued in one or more tranches subject to the Shelf Limit
Issue Agreement	Agreement dated July 9, 2018 between our Company and the Lead Managers
Issue Closing Date	Issue Closing Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue Opening Date	Issue Opening Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue *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 relevant Tranche 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 Management Committee, thereof. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation 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 BSE.*
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms
Lead Managers/ LMs	YES Securities (India) Limited, Edelweiss Financial Services Limited, YES Bank Limited, Axis Bank Limited, A. K. Capital Services Limited, Green Bridge Capital Advisory Private Limited and Trust Investment Advisors Private Limited

Term	Description
Market Lot	One NCD
NCDs/ Debentures	Secured Redeemable Non Convertible Debentures of face value of ₹ 1,000
NCD holder(s)	The holders of the NCDs whose name appears in the database of the Depository (in case of NCDs in the dematerialized form) and/or the register of NCD holders maintained by our Company/Registrar (in case of NCDs held in the physical form pursuant to rematerialisation of NCDs by the holders)
Offer Document	This Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, Application Form and Abridged Prospectus
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the Escrow Accounts for the Issue and/ or the SCSBs on the Designated Date
Record Date	15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. or as may be otherwise prescribed by BSE. 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 BSE shall be considered as Record Date
Redemption Amount	As specified in the relevant Tranche Prospectus
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount shall be made (excluding all Application Amounts received from ASBA Applicants)
Refund Banks	As specified in the relevant Tranche Prospectus
Register of NCD/ Debenture Holders	The Register of Debenture Holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013
Registrar to the Issue/ Registrar	Karvy Computershare Private Limited
Registrar Agreement	Agreement dated June 28, 2018 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Security	As specified in the relevant Tranche Prospectus and Debenture Trust Deed
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Series/Options	As specified in relevant Tranche Prospectus(es)
Shelf Limit	The aggregate limit of the Issue, being ₹ 3,00,000 lakh to be issued under this Draft Shelf Prospectus, the Shelf Prospectus through one or more Tranche Issues
Shelf Prospectus	The Shelf Prospectus to be filed by our Company with the SEBI, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations The Shelf Prospectus shall be valid for a period as prescribed under section 31 of the Companies Act, 2013
Subsidiary	Aadhar Sales and Services Private Limited
Syndicate or Members of the Syndicate	Collectively, the Consortium Members appointed in relation to the Issue
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members or the Trading Members of BSE only in the Specified Cities
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&

Term	Description
	intmId=35or at such other website as may be prescribed by SEBI from time to time
Tier I capital	Tier I capital means, owned fund as reduced by investment in shares of other HFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund
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 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier-I capital
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus
Transaction Registration Slip or TRS	The acknowledgement slips, or document issued by any of the Members of the Consortium, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs
Trading Members	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with BSE under the applicable byelaws, rules, regulations, guidelines, circulars issued by BSE from time to time and duly registered with BSE for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus
Tranche Prospectus	The Tranche Prospectus(es) containing, inter alia, the details of NCDs including interest, other terms and conditions
Tripartite Agreements	Tripartite agreement dated June 21, 2018 among our Company, the Registrar and CDSL and tripartite agreement dated July 2, 2018 among our Company, the Registrar and NSDL
Working Day(s)	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 public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the NCDs, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
₹ or Rupees or Rs. or Indian Rupees or INR	The lawful currency of India
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Application Supported by Blocked Amount
CDSL	Central Depository Services (India) Limited
Companies Act/ Act	Companies Act, 1956
Companies Act, 2013	The Companies Act, 2013 (18 of 2013), to the extent notified by the MCA and in force as on the date of this Draft Shelf Prospectus
CRAR	Capital to Risk-Weighted Assets Ratio
CSR	Corporate Social Responsibility
ECS	Electronic Clearing Scheme
ESAR	Employee Stock Appreciation Rights Plan

Term/Abbreviation	Description/ Full Form
ESOS	Employee Stock Option Scheme
DIN	Director Identification Number
DRR	Debenture Redemption Reserve
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI policy dated August 28, 2017 issued by DIPP and the applicable regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017) made by the RBI prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999 and the regulations made thereunder.
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
FIR	First Information Report
GDP	Gross Domestic Product
GoI or Government	Government of India
HFC	Housing Finance Company
HNI	High Networth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income Tax Act, 1961
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles followed in India
IB Code	Insolvency and Bankruptcy Code, 2016
IRDA	Insurance Regulatory and Development Authority
IT	Information Technology
IPC	Indian Penal Code, 1860, as amended from time to time
MCA	Ministry of Corporate Affairs, GoI
MoF	Ministry of Finance, GoI
NACH	National Automated Clearing House
NBFC	Non Banking Financial Company, as defined under applicable RBI guidelines
NEFT	National Electronic Fund Transfer
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987 or as amended from time to time
National Housing Bank Directions" or "NHB Directions" or "Directions"	Housing Finance Companies (NHB) Directions, 2010 as amended from time to time
NOF	Net Owned Funds
NPA	Non-Performing Assets
NRI or "Non-Resident"	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PCG	Partial Credit Enhancement Guarantee
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

Term/Abbreviation	Description/ Full Form
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
ALCO	Asset Liability Management Committee
AUM	Assets Under Management
BOM	Branch Operations Manager
Chola MS	Cholamandalam MS General Insurance Company Limited
DSA	Direct Selling Agents
EMI	Equated monthly instalment
Fair Practices Code	The guidelines on fair practices code for HFCs issued by the NHB on September 9, 2015 as updated through the master circular issued by the NHB bearing reference no. NHB(ND)/DRS/REG/MC-03/2017 dated July 1, 2017
LMI	Low and Middle income
LTV	Loan-to-value ratio
SLR	Statutory Liquidity Ratio

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled "*Capital Structure*", "*Regulations and Policies*", "*History and other Corporate Matters*", "*Statement of Tax Benefits*", "*Our Management*", "*Financial Indebtedness*", "*Outstanding Litigation and Defaults"* and "*Issue Procedure*" on pages 50, 107, 104, 57, 118, 202, 214 and 251 respectively will have the meanings ascribed to them in such chapters.

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

Certain Conventions

All references in this Draft Shelf Prospectus to "*India*" are to the Republic of India and its territories and possessions.

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

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company's financial statements for the year ended March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 8/2014 dated April 4, 2014.

The Reformatted Standalone Financial Statements and the Reformatted Consolidated Financial Statements are included in this Draft Shelf Prospectus and collectively referred to hereinafter as the ("**Reformatted Financial Statements**"). The examination reports on the Reformatted Financial Statements as issued by the Statutory Auditors of our Company, are included in this Draft Shelf Prospectus in the chapter titled "*Financial Statements*" beginning at page 126.

Currency and Unit of Presentation

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

Industry and Market Data

Any industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including CRISIL Reports, 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 and the Lead Managers, 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 Shelf Prospectus is reliable, it has not been independently verified by us and the Lead Managers. 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 Shelf 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.

CRISIL Disclaimer

For details please see "*Industry Overview*" on page 62.

In this Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD-LOOKING STATEMENTS

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

- our inability to maintain our growth;
- any increase in the level of non-performing assets on our loan portfolio, for any reason whatsoever;
- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government policies, regulations and/or directions issued by the NHB in connection with HFCs;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in this Draft Shelf Prospectus, including under the chapter titled "*Risk Factors*" on page 11.

The abovementioned list of important factors is not exhaustive. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the chapters titled *"Our Business"* and *"Outstanding Litigations and Defaults"* on pages 85 and 214 respectively of this Draft Shelf Prospectus. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Draft Shelf Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

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

SECTION II - RISK FACTORS

Prospective investors should carefully consider all the information in this Draft Shelf Prospectus, including the risks and uncertainties described below, and under the section titled "Our Business" on page 85 and under "Financial Statements" on page 126, before making an investment in the NCDs. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business prospects, results of operations and financial condition. If any of the following or any other risks actually occur, our business prospects, results of operations and financial condition could be adversely affected and the price of and the value of your investment in the NCDs could decline and you may lose all or part of your redemption amounts and/ or interest amounts.

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

In this section, unless the context otherwise requires, a reference to "our Company", is a reference to Aadhar Housing Finance Limited on a standalone basis and references to "we", "us", and "our" are to our Company, and its Subsidiary on consolidated basis. Unless otherwise specifically stated in this section, financial information included in this section have been derived from our Reformatted Financial Statements.

Internal Risks and Risks Associated with our Business

1. ***We may not able to consummate the Issue, if our Company is unable to obtain consents from all lenders in connection with creation of a pari-passu charge on the receivables of our Company being offered by way of security to the NCD Holders.***

The SEBI Debt Regulations require that the assets on which charge is created are free from any encumbrances and if the assets are already charged to secure a debt, the permissions or consent to create second or *pari passu* charge on the assets of the Issuer have been obtained from the earlier charge holder(s). We intend to create a *pari passu* charge upon our receivables, as security for the NCDs offered under this Issue. Further some of our documents executed in connection with various borrowings require us to obtain prior permission and/or consent from the relevant lenders inter-alia in connection with raising additional borrowings/debt. We have not received the required consents from some of the lenders in connection with the above requirements as on the date of this Draft Shelf Prospectus. While our Company is in the process of receiving the above-mentioned no-objection/consents from the prior charge holders, we cannot assure you that such consents will be received in time or at all and as a result we may not able to consummate this Issue.

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

We have in the past pursued and may from time to time pursue in the future, strategic acquisitions and alliances in order to increase our market presence. In Fiscal 2017, the erstwhile Aadhar Housing Finance Limited merged with our Company pursuant to the Scheme of Amalgamation approved by the National Company Law Tribunal, Bengaluru dated October 27, 2017 with a focus on to, *inter alia*, consolidating businesses, maximizing synergies, simplifying the organizational structure, reducing administrative costs, and achieving operational and managerial efficiency including reducing managerial overlaps between erstwhile Aadhar Housing Finance Limited, which had significant reach in northern, western, and eastern states in India with our Company, which had significant presence in western and southern states of India.

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

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

3. Our business has been growing consistently in the past. Any inability to maintain our growth may have a material adverse effect on our business, results of operations and financial condition.

Our business has steadily expanded in the three-fiscal year-period ended March 31, 2016, 2017 and 2018. As at March 31, 2016, 2017 and 2018, our total outstanding loans stood at ₹ 146,919 lakh, ₹180,999 lakh and ₹ 735,270 lakh, respectively and our assets under management were ₹ 146,919 lakh, ₹180,999 lakh and ₹ 796,585 lakh, respectively. For the fiscal years ended March 31, 2016, 2017 and 2018, our revenue from operations was ₹ 19,281 lakh, ₹ 21,198 lakh and ₹ 79,806 lakh, respectively, and our profit after tax was ₹ 2,672 lakh, ₹ 2,321 lakh and ₹ 9,973 lakh, respectively. While partly this growth is linked to merger of erstwhile Aadhar Housing Finance with our Company w.e.f. April 1, 2016 (where the appointed date was April 1, 2016, however numbers remained unchanged until March 31, 2017) whereby our Company expanded its reach into northern states of India where, the growth is also linked with factors such as spurt in growth of affordable housing finance industry in India due to steady growth in income levels of EWS and LIG segments and support from the government through loan subsidy and other schemes under 'Pradhan Mantri Awas Yojana'.

Our growth strategy includes increasing the number of loans we extend, diversifying our product portfolio and expanding our customer base. There can be no assurance that our growth strategy will continue to be successful or that we will be able to continue to expand further or diversify our product portfolio.

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

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

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

4. Our business is particularly vulnerable to volatility in interest rates.

A significant component of our income is the interest income that 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, and 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 on to our customers, we may find it difficult to compete with our competitors, who may have access to funds sourced at a lower cost. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Fluctuations in interest rates may also adversely affect our treasury operations. If there is a sudden or sharp rise in interest rates, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities.

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 results of operations.

Also, 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.

There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest margin.

5. We may experience difficulties in expanding our business into new regions and markets.

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets. Factors such as competition, customer requirements, regulatory regimes, culture, business practices and customs in these new markets may differ from those in our current markets, and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete not only with other banks and financial institutions but also the local unorganized or semi-organized private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with potential customers in the EWS and LIG segment.

As we continue to expand our geographic footprint, our business may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully marketing our products in markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; falling under additional local tax jurisdictions; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to different regions of India or outside of India in which different languages are spoken. As we concentrate on EWS and LIG segments, in the target geographies, in urban, semi-urban and statutory towns with different town and city planning bye laws, panchayat bye laws, local authority laws, different construction practices, and with competitive market conditions; credit appraisal, legal appraisal and technical appraisal of the loans is imperative for us to maintain a healthy loan portfolio. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not recover. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

6. We may face difficulties and incur additional expenses in operating in rural and semi-urban markets, where infrastructure may be limited.

A significant number of our customers are located in the rural and semi-urban markets in India, which may have limited infrastructure, particularly for transportation, electricity and internet bandwidth. We also may face difficulties in conducting operations, transporting our personnel and equipment and implementing technology measures in such markets. There may also be increased costs in conducting our business and operations, implementing security measures and expanding our advertising. We cannot assure you that such costs will not be incurred or will not increase in the future as we expand our network in rural and semi urban markets and such increased costs could adversely affect our profitability.

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

We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of these agreements contain restrictive covenants which require us to obtain consent from our lenders, before, amongst other things, altering our capital structure, disposing assets out of the ordinary course of business, incurring capital expenditure above certain limits, effecting any scheme of amalgamation or reconstitution, creating any charge or lien on the assets or receivables of our Company and any alteration to the Memorandum of Association or Articles of Association. In addition, upon the occurrence of an event of default, we would be restricted from declaring dividends. Certain of the loan agreements also give the lenders the right to nominate directors to the Board to protect the interest of the lenders. Our financing agreements also require us to maintain certain financial ratios.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments. Furthermore, our financing arrangements contain cross-default provisions which could automatically trigger defaults under other financing arrangements. Furthermore, our Company's lenders may recall certain working capital loans availed by our Company at any time.

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

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

The NHB conducts periodic inspections of 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 on being called upon to do so. Inspection by the NHB is a regular exercise and is carried out periodically by the NHB for all housing finance institution accepting deposits under Section 34 of the NHB Act.

In the past, the NHB had made certain observations during its periodic inspections in connection with our operations including overstating of the NOF, approving borrowing powers over and above the 16 times of NOF limit, overstating of profits as classification of the account was not as per the NHB directions, failure to make adequate provisions etc.

Even though we have provided the NHB with necessary clarifications and taken necessary steps to comply with the NHB's observations, any adverse notices or orders by the NHB during any future inspections could adversely affect our reputation, business, financial condition, results of operations and cash flows.

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

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

10. Housing finance companies in India, including us, are required to prepare financial statements under Ind-AS from April 1, 2018 onwards. Any failure to successfully adopt Ind AS may have an adverse effect on the audit process run by our Company and/or may lead to regulatory action and other legal consequences.

The MCA modified the "Companies (Indian Accounting Standards) Rules, 2015" on February 16, 2015 ("**IAS Rules**"). The IAS Rules provide that the financial statements of the companies to which they apply (as more specifically described below) shall be prepared and audited in accordance with Ind-AS. Under the IAS Rules, any company may voluntarily implement Ind-AS for the accounting period beginning from April 1, 2015. Further, the IAS Rules prescribe that any company having a net worth of more than ₹ 50,000 lakh, and any holding company, subsidiary, joint venture or an associate company of such company, would have to mandatorily adopt Ind-AS for the accounting period beginning from April 1, 2016 with comparatives for the period ending March 31, 2016.

These IAS Rules were initially not applicable to banking companies, insurance companies and NBFCs/ HFCs. However, MCA published its press release dated January 18, 2016 and laid down the road map for implementation of Ind-AS for scheduled commercial banks, insurance companies and NBFCs/ HFCs (with net worth of ₹ 50,000 lakh or more) from April 1, 2018 onwards. However, as per NHB's circular no. *NHB(ND)/DRS/Policy Circular No.89/2017-18* dated June 14, 2018, HFCs are required to follow the extant directions on Prudential Norms, including on asset classification, provisioning etc. issued by the NHB alongwith compliance with the extant provisions of Ind AS.

Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2018 may not be comparable to our historical financial statements. Further, no financial statements prepared in accordance with Ind AS have been included in this Draft Shelf Prospectus.

11. In order to sustain our growth, we will need to maintain a minimum capital adequacy ratio statutory liquidity ratio. There is no assurance that we will be able to access the capital markets when necessary in order to maintain such a ratio.

The NHB Directions require a minimum capital adequacy ratio comprising of Tier I and Tier II capital aggregating to 12.00% of the aggregate risk weighted assets and of risk adjusted value of off-balance sheet items of our Company. The NHB Directions assign weightages to balance sheet assets. We must maintain this minimum capital adequacy level to support our continuous growth. Our capital adequacy ratio, calculated in accordance with Indian GAAP, was 18.76% as on March 31, 2018. Our ability to support and grow our business could be limited by a declining capital adequacy ratio if we are unable to or have difficulty accessing the capital markets.

Similarly, pursuant to the NHB guidelines, HFCs are required to maintain a statutory liquidity ratio in respect of public deposits raised. As at March 31, 2018, the SLR requirement was 12.5% which is divided into minimum 6% in approved securities comprising government securities, government guaranteed bonds etc. and maximum 6.5% in bank fixed deposits and NHB bonds. As at March 31, 2018, our Company has investment (net of provision in diminution) ₹ 950 lakh in approved securities comprising government securities, government guaranteed bonds etc., and ₹ 293 lakh in bank fixed deposits and NHB bonds, being 12.10% and 3.73%, respectively, which are well within the limits prescribed by the NHB. Additionally, there is no assurance that the NHB will not increase the current capital adequacy ratio and SLR requirements.

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

Any lending activity is exposed to credit risk arising from the risk of default and non-payment by borrowers. As our portfolio expands, we will be exposed to an increasing risk of defaults.

As we focus on EWS and LIG segment, lack of proper property title documents is a significant risk that we carry for a large part of our Loan Portfolio, especially on the outskirts of large cities, semi-urban and rural areas. While we have put together a robust system of due diligence of our customers, still we are exposed to potential defaults by them due to irregular cash flows and lack of adequate collateral. Any negative trends or financial difficulties among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance.

If our customers are unable to meet their financial obligation in a timely manner, then it could adversely affect our results of operations. The borrowers may default in their repayment obligations due to various reasons including insolvency, lack of liquidity, etc. 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

13. We are subject to various regulatory and legal requirements and any 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 and the NHB, amongst others. We are also subject to the corporate, taxation and other laws in effect in India which require continued monitoring and compliance. These regulations, apart from regulating the manner in which a company carries out its business and internal operation, prescribe various periodical compliances and filings including but not limited to filing of forms and declarations with the relevant registrar of companies, and the NHB. Pursuant to the NHB regulations, HFCs are currently required to maintain a minimum CRAR consisting of Tier I and Tier II capital which collectively shall not be less than 12.00% of their aggregate risk weighted assets and their risk adjusted value of off-balance sheet items.

In particular, according to the NHB Directions, 2010, at no point can our total Tier II capital exceed 100% of the Tier I capital. For further details, please see the section titled "Regulation and Policies". 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 Indian GAAP, was 18.76% as at March 31, 2018. As our asset book grows further our CRAR may decline and this may require us to raise fresh capital. There is no assurance that NHB will not increase the minimum capital adequacy requirements. Should we be required to raise additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favorable terms, in a timely manner or at all. Additionally, under Clause 29C of the NHB Act, our Company is required to create a reserve fund and transfer to such fund an amount of no less than 20% of its net profits every year before any dividend is declared. If we fail to meet the requirements prescribed by the NHB, then the NHB may take certain actions, including but not limited to levying penalties, restricting our lending activities, investment activities and asset growth, and suspending all but our low-risk activities and imposing restrictions on the payment of dividends.

Further, as a listed company with privately placed NCDs listed on BSE Limited, we are subject to continuing obligations pursuant to the SEBI Listing Regulations. The requirement for compliance with 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 the 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.

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. Further, changes in tax laws may adversely affect demand for real estate and therefore, for housing finance in India.

14. We may face maturity mismatches between our assets and liabilities in the future which may cause liquidity issues.

We regularly monitor our funding levels to ensure we are able to satisfy the requirement for loan disbursements and maturity of our liabilities.

As at March 31, 2018, our assets maturing within one year lower than our liabilities maturing within the same period by ₹63,788 lakhs. As at March 31, 2018, our assets maturing between one year and three years lower than our liabilities maturing during the same period by ₹ 139,846 lakh and our assets maturing between three and five years lower than our liabilities maturing during the same period by ₹ 66,274 lakh, while our assets maturing in over five years exceeded our liabilities maturing in the same period by ₹ 396,212 lakh

We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by long-term borrowings from banks and mutual funds, short and long-term general financing through the domestic debt market and retained earnings, proceeds from assignement and equity issuances.

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

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

With the growth in our business, we expect an increase in our loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. There can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs.

As at March 31, 2018, our gross NPAs as a percentage of our outstanding loans (net of NPA provisions) was 1.17% and our net NPAs, as a percentage of our outstanding loans, was 0.78%. The provisioning in respect of our outstanding loan portfolio has been undertaken in accordance with the NHB guidelines and other applicable laws. The provisioning requirements may also require the exercise of subjective judgments of management. The level of our provisions may be inadequate to cover further increases in the amount of our non-performing loans or decrease in the value of the underlying collateral. If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or other loan losses that may occur, or if future regulation requires us to increase our provisions, our results of operation and financials may get adversely affected including our ability to raise additional capital and debt funds at favourable terms.

In addition, provisioning norms may be revised by the NHB from time to time and become more stringent for HFCs. The NHB has amended the provisioning norms in the NHB Directions 2010 pursuant to notification no. NHB.HFC.DIR.3/CMD/2011 dated August 5, 2011, notification no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012, and notification no. NHB.HFC.DIR.9/CMD/2013 dated September 6, 2013. Further, NHB's Master Circular bearing No. NHB(ND)/DRS/REG/MC-01/2015 dated September 9, 2015 has incorporated the provisioning norms for housing finance companies in one place, which has subsequently been updated by the NHB's Master Circular bearing No. NHB(ND)/DRS/REG/MC-01/2017 dated July 1, 2017 (updated up to June 30, 2017) and the subsequent notifications issued by the NHB bearing Notification No.NHB.HFC.DIR.18/MD&CEO/2017 dated August 2, 2017, Notification No.NHB.HFC.DIR.19/MD&CEO/2017 dated September 28, 2017 and Notification No.NHB.HFC.DIR.20/MD&CEO/2017 dated December 8, 2017. As a result of the aforesaid notifications, we have had to revise our provisioning in accordance with these norms as they changed. For further details, refer to the chapter "*Regulation and Policies*" on page 107.

If the quality of our loan portfolio deteriorates or we are unable to implement effective monitoring and collection methods, our financial condition and results of operations may be affected. In addition, we anticipate that the size of our loan portfolio will grow as a result of our expansion strategy in existing as well as new products, which will expose us to an increased risk of defaults.

If our customers are unable to meet their financial obligation in a timely manner, then it could adversely affect our results of operations. 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.

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

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. Please refer to the chapter titled "*Our Business*" on page 85. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our methods of managing risks are based upon the use of observed historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

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

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. See also the Risk Factor titled "*If the level of non-performing assets in our loan portfolio were to increase, our financial condition would be adversely affected*".

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

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

Our lending products include retail mortgage loans and residential project loans. Retail mortgage loans are bifurcated into housing loans and property (non-housing) loans. Housing loans include home purchase loans, home improvement loans, home construction loans, home extension loans, home loans for self-employed customers, plot/land loans, plot and construction loans and NRI home loans. Property (non-housing) loans include loans against property (mortgage loans) and commercial loans and are availed for working capital and other business needs and construction of residential projects.

The primary security for the loans disbursed by our Company is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by our Company may decline due to adverse market conditions, including an economic downturn or a downward movement in real estate prices. In the event the real estate sector is adversely affected due to a decline of demand for real properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collaterals may diminish which may affect our business and results of operations. Failure to recover the expected value of collateral could expose our Company to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition.

Following the introduction of the SARFAESI Act and the subsequent extension of its application to HFCs, we are allowed to foreclose on secured property 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 full value of our collateral, due to, among other things, delays on our part in taking action to secure the property, delays in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

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

18. Any decrease in revenue we earn from the distribution of insurance products may have an adverse effect on our results of operations.

We currently serve as the master policy holder of DPLIC and DHFL General Insurance Limited. We have been registered with the IRDA as a "*Corporate Agent – Composite*" until March 31, 2019. With such registration, we are authorized to solicit customers and serve the businesses of both life and general insurance companies. In this regard, we have entered into corporate agency agreements with DPLIC and DHFL General Insurance Limited. We also act as group administrator and manager for group credit life, group health and/or personal accident insurance cover for our customers, including DPLIC and DHFL General Insurance. To ensure adequate insurance coverage for the properties financed during the tenure of the loan, we advise our customers on appropriate insurance products.

Since the commission rates are regulated by the IRDA, any adverse change affecting the insurance companies' ability to fix premiums based on the prevailing economic, regulatory, taxation-related and competitive factors could result in decrease in commission rates which may significantly affect our profitability. Further, any inability on our part or the part of DPLIC or DHFL General Insurance Limited to introduce policies suited to the needs of our customers could affect our Company's ability to distribute the policies successfully and in turn result in lesser commissions being earned. Moreover, any delay or inability on our part or the part of DPLIC or DHFL General Insurance Limited to renew the corporate agency agreements with DPLIC and DHFL General Insurance Limited may result in lost of revenue to our Company affecting our results of operations and cash flows.

19. 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.

Our Company's Loan Portfolio is secure in nature and the value of collateral that we collect is dependent on various factors, including (i) prevailing market conditions, (ii) the general economic and political conditions in India, (iii) growth real estate sector in India and the areas in which our Company operates, and (iv) any change in statutory and/or regulatory requirements. We maintain loan-to-value on the basis of the products being offered and product specific LTVs vary from case to case.

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

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

We follow internal risk management guidelines in relation to portfolio monitoring which, inter alia, include a 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 as a result of the following (among other factors):

- delays in bankruptcy and foreclosure proceedings;
- defects or deficiencies in the perfection of collateral (including due to inability to obtain any approvals that may be required from third parties);
- destruction/ material damage to the underlying property.
- fraud by borrowers;
- delays on our part to take immediate action;
- errors in assessing the value of the collateral;
- adverse market conditions;

- failure to execute all documents in proper form prior to sanction of the borrowing;
- illiquid market for the sale of the collateral; and
- applicable legislative provisions or changes thereto and past or future judicial pronouncements.

As a result of any of the foregoing factors, we may not be able to realize the full value of collateral, which could have an adverse effect on our financial condition, results of operations and cash flows.

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

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

21. The financing industry is becoming increasingly competitive in India with significant presence of public and private sectors banks that have extensive branch networks as well as HFCs, cooperative banks and other financial service companies. Increasing competition may result in declining margins and market shares.

We operate in a highly competitive industry in India. Our housing finance operations face competition from local operators on factors such as service and price. We also compete with local companies in capturing new business operations in India. Some of these companies have significant financial resources, marketing and other capabilities. In India, some of the local companies have extensive local knowledge, business relationships and a longer operational track record in the relevant local markets than us. As a result, there can be no assurance that we will be able to compete successfully against our existing or potential competitors. As a result of this increased competition, loans are becoming increasingly standardised and terms such as variable (or floating) rate interest options, lower processing fees and frequent resets are becoming increasingly common in the Indian financial sector. Furthermore, the spread between the lowest and the highest rate of interest offered by various lenders continues to reduce. This competition is likely to intensify further as a result of regulatory changes and market liberalisation. These competitive pressures affect the industry in which our Company operates in as a whole, and our Company’s future success will depend, to a large extent, on its ability to respond in an effective and timely manner to these competitive pressures. There can be no assurance that our Company will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive financial sector Increased competition in relation to the Issuer’s activities may have an adverse effect on our financial condition and operating results.

22. We may not be able to secure the requisite amount of financing at competitive rates for our growth plans and continue to gain undisrupted access to our funding sources, which could adversely affect our business, results of operations and financial condition.

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met predominantly from a combination of borrowings such as loans from banks and financial institutions refinancing from the NHB, issuance of commercial papers and non-convertible debentures on private placement basis. Thus, our continued growth will depend, among other things, on our ability to secure requisite financing at competitive rates, to manage our expansion process, to make timely capital investments, to control input costs and to maintain sufficient operational control.

As of March 31, 2018, the refinancing availed by us from the NHB under the NHB’s refinancing scheme was ` 46,381 lakh. Pursuant to the refinancing arrangement, we have provided to NHB certain standard documents such as a non-disposal undertaking from Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan (both forming part of our Promoter Group) with respect to their shareholdings and corporate guarantee from WGCL. The refinancing facilities availed by our Company contribute to 7.33% of our indebtedness as on March 31, 2018. Any failure to obtain such refinancing facilities due to inter alia change in the regulatory environment could have an adverse impact our loan portfolio.

Our inability to secure requisite financing could have an adverse effect on our business, results of operations and financial condition. Changes in Indian laws and regulations, our obligations to lenders or under debt instruments can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition. Further, any inability on our part to secure requisite financing or continue with our existing financing arrangement could have an adverse effect on our business, results of operations and financial condition.

23. 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.

We have received the following credit ratings for our domestic fund raising:

Nature of borrowing	**Rating / Outlook**			
	CARE	**Brickwork**	**ICRA**	**CRISIL**
Short-term debt/ Commercial Paper	-	-	ICRA A1+	CRISIL A1+
Public (fixed) Deposits/ Short Term Deposits	-	-	-	FAA/Stable
Subordinated NCDs	CARE AA (SO); Stable	BWR AA+(SO) (Outlook: Stable)	-	-
Secured NCDs	CARE AA+(SO); Stable	BWR AA+(SO) (Outlook: Stable)	-	-
Long-term bank loans	CARE AA+(SO); Stable	-	-	-

DHFL, our Group Company which currently holds 9.15% equity stake in our Company has by way of its irrevocable, valid and binding comfort letter dated July 5, 2018 ("**Letter of Comfort**") stated hat it intends to maintain around the existing shareholding, subject to maximum limit of 15% prescribed by NHB guidelines. Further, the Promoter and Promoter Group entities of our Company also hold a controlling stake of more than 30%, equity stake in DHFL and that the same will not be divested or liquidated in any manner for a minimum period of 5 years from the date of Letter of Comfort to bring it below 30%. Further, DHFL has confirmed that it will continue to provide strong support i.e. funding, operational or otherwise to our Company, on a transfer price. It will also continue to ensure that our Company maintains adequate capital for its business at all times. DHFL has also confirmed that it will ensure that our Company honours all its financial obligations in full and in a timely manner. For further details, please refer to the chapter titled "Material Contracts and Documents for Inspection" on page 280. Accordinly, final terms and conditions for the Issue will be decided at the respective Tranche Prospectus stage if our Company or DHFL are not complying with any of the above factors or for any downgrade in our ratings due to any of the above factors not being complied with by our Company or DHFL.

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, results of operations and financial condition.

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

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

25. Our investments are subject to market risk and our exposure to capital markets is subject to certain regulatory limits.

As part of our treasury management, we invest a portion of our public deposits in certain long-term fixed income securities in order to meet our SLR requirements. We also invest surplus funds out of our borrowings and operations in such securities. These securities include government securities, bonds carrying sovereign guarantee, bonds issued by state governments or public-sector enterprises, debt mutual funds, fixed deposits with banks and other highly rated bonds. Our investment policy prescribes investment limits for each of these securities. Certain of these investments are unlisted, offering limited exit options. The value of these investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. Any decline in the value of the investments may have an adversely effect on our business, financial condition and results of operations.

Further, pursuant to the NHB Directions, we are not permitted to have an aggregate exposure to capital markets (both fund and non-fund based) in excess of 40.00% of our net worth as of the end of the previous financial year. Within the overall ceiling, direct investments in shares, convertible bonds or debentures, units of equity-oriented mutual funds and all exposures to venture capital funds should not exceed 20.00% of our net worth. Such restrictions may limit our investments or access to capital, which may have an adverse effect on our business, financial condition and results of operations.

26. We have contingent liabilities as at March 31, 2018 and our financial condition may be adversely affected if these contingent liabilities materialize.

The table below sets forth our contingent liabilities on a consolidated basis not provided for in our financial statements as at March 31, 2018:

(₹ in lakh)

Particulars	Amount as at March 31, 2018
Income tax matters of earlier years	127

The contingent liabilities have arisen in the normal course of our business and are subject to the prudential norms as prescribed by the NHB. If any of the above contingent liabilities materialize, our financial condition may be adversely affected.

27. We and our Group companies are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.

We and our Group Companies are involved in several legal proceedings in the ordinary course of our business such as consumer disputes, debt-recovery proceedings, proceedings under the SARFAESI Act, income tax proceedings, criminal proceedings and civil disputes. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. Although we expect that none of these legal proceedings, either individually or in the aggregate, will have a material adverse effect on us or our financial condition, there can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings.

Although we and our Group Companies intend to defend or appeal these proceedings, management and financial resources will be required to be devoted in their defense or prosecution. If a significant number of these disputes are determined against our Company and/ or our Group Companies and if our Company or our Group Companies are required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be an adverse impact on our reputation, business, results of operations and financial condition. Please see "*Outstanding Litigations and Defaults*" on page 214.

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

We require certain statutory and regulatory permits and approvals to operate our business. We have a license from the NHB, which requires us to comply with certain terms and conditions for us to continue our housing finance operations. In the event that we are unable to comply with any or all of these terms and conditions or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the NHB may revoke this license or may place stringent restrictions on our operations. This may result in the interruption of all or some of our operations. Further, under certain of our contractual arrangements, we are required to obtain and hold all necessary and applicable approvals, registrations and licenses from authorities such as the SEBI, the IRDA, local government authorities, etc.

In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected.

If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled, and we shall not be able to carry on such activities.

Failure by us to renew, maintain or obtain the required permits, licenses or approvals, including those set out above, may have a material adverse effect on our business, results of operations and cash flows.

29. Our business is dependent on relationships with our clients established through, amongst others, our branches. Closure of branches or loss of our key branch personnel may lead to damage to these relationships and a decline in our revenue and profits.

Our business is dependent on the key branch personnel who directly manage client relationships. We encourage dedicated branch personnel to service specific clients since we believe that this leads to long-term client relationships, a trust-based business environment and, over time, better cross-selling opportunities. While no branch manager or operating group of managers contributes a meaningful percentage of our business, our business may suffer materially if a substantial number of branch managers either become ineffective or leave our Company.

30. Our business and operations significantly depend on senior management and key employees and may be adversely affected if we are unable to retain them.

Our business and operations largely depend on the continued services and performance of our senior management and other key employees. The need and competition for skilled senior management in our industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our senior members of our management team and key employees could seriously impair our ability to continue to manage and expand our business efficiently and adversely affect our business, results of operations and financial condition.

31. Our business and operations significantly depend on our Promoter and Group Companies and any change in control of our Company may correspondingly adversely affect our business, results of operations and financial condition.

Our principal shareholders, including our Promoters and Promoter Group, hold 80.77% of our issued share capital as at March 31, 2018. Further, Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan, have provided personal guarantees to the NHB for all of our Company's borrowings from the NHB. Pursuant to the refinancing arrangement, Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan and WGCL have provided non-disposal undertakings to the NHB. WGCL has also provided Corporate Guarantee for the same. Moreover, DHFL has provided an unconditional letter of comfort to the rating agencies i.e. CARE and Brickwork enabling the rating agencies to issue us the ratings CARE AA+ (SO); Outlook: Stable by CARE and BWR AA+ (SO), Outlook: Stable by Brickwork. For details please see "*Issue Structure – Credit Ratings*" on page 234.

There can be no assurance that our Promoters and Promoter Group will continue to provide such guarantees or undertakings in relation to our debt obligations in the future or that we will be in a position to maintain our current debt facilities or to otherwise obtain any additional debt facilities in the absence of such guarantees provided by our Promoters.

Our Company is dependent on the goodwill and brand name of our Group Company, DHFL. Our Company believes that this goodwill contributes significantly to our business. We operate in a competitive environment, and we believe that our brand recognition is a significant competitive advantage to us. There can be no assurance that the "DHFL" brand, which our Company believes is a well recognised brand in India, will not be adversely affected in the future by events or actions that are beyond our Company's control, including customer complaints, developments in other businesses that use this brand or adverse publicity from any other source. We also licenced from DHFL our integrated loan management system. We are dependant on DHFL for our IT services and support.

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

32. Our business is subject to operational risks, including fraud.

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 the fraudulent acts committed by our employees or third parties. As a result, we have suffered monetary losses and may suffer further monetary losses, which may not be covered under our insurance and may thereby adversely affect our profitability and results of operations. Further, our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders. Any failure to mitigate such risks could adversely affect our business and results of operations.

In order to prevent frauds in loan cases involving multiple lending from different banks or HFCs, the GoI has set up the CERSAI under Section 20 of the SARFAESI Act 2002 in order to create a central database of all mortgages given by and to lending institutions. We are registered with CERSAI and we submit the relevant data to CERSAI from time to time and also comply with the quarterly fraud reporting requirement of NHB in accordance with its circular bearing Circular No. NHB(ND)/HFC(P&D)/2391/2003 dated September 23, 2003. We also appoint a number of providers of credit verification and investigation services to obtain information on the credit worthiness of our prospective customers. However, there can be no assurance that these measures will be effective in preventing frauds.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our business and our future financial performance. Further, we may need to regularly upgrade our technology systems, at substantial cost, to increase efficiency and remain competitive. There can be no assurance that such technology upgrades will be successful and that we will recover the cost of our investments.

33. ***Our business is highly dependent on information technology. A failure, inadequacy or security breach in our information technology and telecommunication systems or an inability to adapt to rapid technological changes may adversely affect our business, results of operation and financial condition.***

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

We are introducing a new program to support our growth, improve operational efficiency and optimize costs through the use of technology. This program is expected to establish a scalable and flexible technology landscape, align it with our Company's evolving business needs, improve customer centricity and bring our Company's technology platform to a new level. We are dependent on various external vendors for the implementation of the program and certain other elements of our operations, including implementing information technology infrastructure and hardware, industry standard commercial off-the-shelf products, branch roll-outs, networking, managing our data-centre and back-up support for disaster recovery. We are, therefore, exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to us (or will be subject to the risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our external vendors or service providers could materially and adversely affect our business, results of operations and cash flows.

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

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

In deciding whether to extend credit or enter into other transactions with potential borrowers, we rely on information furnished to us by potential borrowers, and analysis of the information by independent valuers and advocates. To further verify the information provided by potential borrowers, we conduct searches on Bureaus – Equifax Credit Information Services Private Limited, Experian Credit Information Company of India Private Limited, Crif Highmark Credit Information Services Private Limited. Verification Agencies – Finfort Infotech LLP, Astute Corporate Services Private Limited and CIBIL for creditworthiness of our borrowers. We also verify information with registrar and sub-registrar of assurances for encumbrances on collateral. We follow the KYC guidelines as prescribed by the NHB on the potential borrower, verify the place of business or place of employment as applicable to the potential borrower and also verify the details with the caution list of the NHB as circulated from time to time. Such information includes representations with respect to the accuracy and completeness of information relating to the financial condition of potential borrowers, and independent valuation reports and title reports with respect to the property secured. We have framed our policies to prevent frauds in accordance with the KYC guidelines issued by NHB dated October 11, 2010 mandating the policies of HFCs to have certain key elements, including, inter-alia, a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management. Further, our Company has a well-established and streamlined credit appraisal process. We cannot assure you that information furnished to us by potential borrowers and analysis of the information by independent valuers or the independent searches conducted by us with CIBIL and NHB 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 and financial condition.

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

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. 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, results of operations and financial condition.

36. We are yet to receive certain registrations in connection with the protection of our trademarks. Failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and profitability.

We have applied for certain registrations in connection with the protection of our trademarks including our logo

Aadhar Housing Finance Ltd, which are currently pending. The registration of any intellectual property right is a time-consuming process, and there can be no assurance that any such registration will be granted. Unless our trademarks are registered, we may only get passing off relief, in case of infringement of our Trademarks, which could materially and adversely affect our brand image, goodwill and business.

37. We depend on channel partners for referral of a certain portion of our customers, who do not work exclusively for us.

We depend on external channel partners ("**CPs**"), who are typically corporate, proprietorships and self-employed professionals, to source a portion of our customers. Such CPs pass on leads of any loan requirements of these customers to our Company. Our Company's agreements with such CPs typically do not provide for any exclusivity, and accordingly, such CPs can work with other lenders, including our Company's competitors. There can be no assurance that our Company's CPs will continue to drive a significant number of leads to our Company, and not to its competitors, or at all.

38. 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 AS-18. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favor. Our Company has entered into certain related party transactions, within the meaning of AS 18 as notified by the Companies (Accounting Standards) Rules, 2006, as disclosed in the chapter titled "Financial Statements" beginning on page 126.

39. Our Promoter, Directors and our Group Companies have certain interests that are similar to ours and this may result in potential conflicts of interest with us.

Our Promoter, WGCL, which currently holds 69.98% of our Equity Shares, has substantial shareholding (37.32%) in one of our Group Companies i.e. DHFL which is engaged in the business of providing financing products for the LMI segment in India primarily in Tier II and Tier III cities and towns. Further, Mr. Kapil Wadhawan, our Non-Executive Director and Chairman of the Board is the Chairman and Managing Director of DHFL. There can be no assurance thatmanagement's time and attention will not get divided between us and our Group Company.

Conflicts may also arise in the ordinary course of our decision-making. Among other situations, conflicts may arise in connection with servicing of customers and customer acquisition. Conflicts may also arise in the allocation of resources, including key personnel, management time and intellectual property, between us and other companies in the same group engaged in similar business as ours.

40. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. We, in the course of our operations, run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls to prevent the occurrence of these risks as is customary in our jurisdiction. We in certain of our activities and in our pursuit of business, run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a Board-approved Know Your Customer and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our business and our reputation.

41. A substantial portion of our loans have a tenor exceeding one year, which may expose us to risks associated with economic cycles.

As of March 31, 2018, a substantial portion of our loans advanced to customers had tenors exceeding one year. The long tenor of these loans may expose us to risks arising out of economic cycles. In addition, some of these loans are project finance loans and there can be no assurance that these projects will perform as anticipated or that such projects will be able to generate sufficient cash flows to service commitments under the advances. We are also exposed to residential projects that are still under development and are open to risks arising out of delay in execution, such as delay in execution on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact our cash flows. There can also be no assurance that these projects, once completed, will perform as anticipated. Risks arising out of a recession in the economy, a delay in project implementation or commissioning could lead to a rise in delinquency rates and in turn, may materially and adversely affect our business, financial condition and results of operations.

42. We do not own the premises where our branch offices are located and in the event our rights over the properties is not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.

At present we do not own the premises of any of our branch offices. In the event the owner of the premises revokes the consent granted to us or fails to renew the tenancy or renews the tenancy on less favourable terms, we may suffer disruption in our operations.

43. We do not own our Corporate Office, Registered Office and all of the premises where our branch offices are located and in the event our rights over these properties are not renewed or are revoked or are renewed on terms less favourable to us, our business activities may be temporarily disrupted.

We do not own the premises on which our Corporate Office, Registered Office or majority of our branch offices and regional offices are situated. Our Corporate Office is owned by our Group Company, DHFL while our Registered Office is on rental premises. All such non-owned properties are leased to us for an average period of one to five years. Upon expiration of the lease agreement for our Corporate Office, Registered Office or the majority of our branch offices and regional offices are situated, we may be required to negotiate the terms and conditions on which the lease agreement may be renewed.

Termination of our lease may occur for reasons beyond our control, such as breach of any terms of the lease agreement by the lessor of the relevant land. We cannot assure you that we will own or have the right to occupy this property in the future, or that our current or future lessors will not breach the lease agreements, or that we will be able to continue with the uninterrupted use of the properties on which our Corporate Office, Registered Office and the majority of our branch offices and regional offices are situated in the event that we are unable to comply with the terms of our lease agreement. This may in turn impair our operations and adversely affect our business, results of operations and financial condition. For further details, please see "*Our Business –Property*" on page 103.

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

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

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

45. The new bankruptcy code in India may affect our Company's right to recover loans from its borrowers.

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process. If the Bankruptcy Code provisions are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and the guarantee given by us and enforcement of our Company's rights will be subject to the Bankruptcy Code.

46. We rely on third-party service providers who may not perform their obligations satisfactorily or in

compliance with law.

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

47. Third party statistical and financial data in this Draft Shelf Prospectus may be incomplete and unreliable.

This Draft shelf Prospectus includes information that is derived from reports published by CRISIL Limited. For details, please see "*Industry Overview*" on page 62. No person connected with this Issue has independently verified the CRISIL Reports. Generally, industry reports and data disclaim the accuracy, adequacy or completeness of information provided in such reports, and further disclaims any responsibility for any errors or omissions in the information provided, or for the results obtained from the use of such industry information. Further, the CRISIL Reports are subject to many assumptions. We cannot assure you that the assumptions considered in the CRISIL Reports are correct or will not change and accordingly our position in the market may differ from that presented in this Draft Shelf Prospectus. Further, the CRISIL Reports are not a recommendation to invest / disinvest in the Issue.

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

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

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

49. We have assigned our assets which does not involve any first loss credit or corporate guarantees.

We undertake direct assignment of our assets, which does not involve any first loss credit or corporate guarantees. As of March 31, 2018, we have ₹ 61,315 lakh outstanding under direct assignment transactions. Further, we have undertaken contractual obligations as servicer of the assigned assets. Any failure on our part to make adequate collections could expose us to contractual liability (damages for contractual breach, indemnities etc) to the trustees of the and/or assignors under direct assignment transactions.

External Risks

50. Any slowdown in economic growth in India may adversely affect our business, results of operations

and financial condition.

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

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

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

Interest rate deregulation and other liberalization measures affecting the housing finance industry, together with increased demand for home finance, have increased our exposure to competition. Our ability to compete effectively with commercial banks and other HFCs will depend, to some extent, on our ability to raise low-cost funding in the future. If we are unable to compete effectively with other participants in the housing finance industry, our business, results of operations and financial condition may be adversely affected.

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

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

We expect the housing finance industry in India to continue to grow as a result of anticipated growth in India's economy, increases in household income, further social welfare reforms and demographic changes. However, it is not clear how certain trends and events, such as the pace of India's economic growth, the development of domestic capital markets and the ongoing reform will affect India's housing finance industry. In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable.

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. According to the Monthly Economic Report for February 2018 prepared by the Department of Economic Affairs, Ministry of Finance, GoI, the year-on-year inflation in terms of the CPI (NS-Combined) was 4.4 % for the month of February 2018 as compared to 3.7% in February 2017. The RBI's Monetary Policy Statement released in April 2018 stated that CPI inflation is expected to pick up from 4.4% in February 2018 to 5.1% in Q1 - Fiscal 2019 and then moderate to 4.7% in Q2 - Fiscal 2019 and 4.4% in Q3 and Q4 - Fiscal 2019. The main risks to the outlook are uncertainties such as crude and other commodity prices, increase in house rent allowance (including by state governments) and fiscal slippages at both central and state levels, according to the RBI.

In the event of increasing inflation in India, our costs, such as operating expenses, may increase, which could have an adverse effect on our business, results of operations and financial condition.

54. Our business and activities may be affected by the recent amendments to the Companies Act, 2013.

The Companies (Amendment) Act, 2017 (the "**Amendment Act**") (post approval of both houses of the Parliament of India) received the assent of the President of India on January 3, 2018. The provisions of the Amendment Act, which introduce significant changes to the Companies Act, 2013, shall come into force on such date as notified by the Central Government. While, certain provisions of the Amendment Act have been notified, the remaining provisions are yet to be notified and may be notified and brought into force by the Central Government in the future. The provisions of the Amendment Act may have an adverse impact on the business and activities of our Company. However, at this juncture it is unclear as to how the provisions of the Amendment Act would be implemented and hence, we cannot ascertain the impact the Amendment Act could have on our business and activities.

55. Our business and activities may be affected by the amendments to the competition law in India.

The Competition Act, 2002 was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action whether or not formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. The Competition Act also prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be deemed guilty of the contravention and liable to be punished.

If we are adversely impacted, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, generally or specifically in relation to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either on its own or pursuant to any complaint, for alleged violation of any provisions of the Competition Act, it may have a material adverse effect on our business, results of operations and financial condition.

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

Tax and other levies including Stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The maximum statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 34.9%. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

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

57. We may have to comply with stricter regulations and guidelines issued by regulatory authorities in India, including the NHB.

We are regulated principally by and have reporting obligations to the NHB. 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.

58. Borrowing for the purchase or construction of property may not continue to offer borrowers the same

fiscal benefits it currently offers, and the housing sector may not continue to be regarded as a priority sector by the GoI.

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

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

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

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

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

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

In November 2017, Moody's Investor Service upgraded the Indian Sovereign Rating from Baa3 (stable) to Baa2 (positive). The rating upgrade by Moody's was the first in 14 years.

In 2017, Standard & Poor's retained Indian's sovereign rating with a stable outlook. While both Moody's and Standard & Poor's have taken a favourable view of the economic growth, Government reforms including fiscal consolidation, yet Standard & Poor's has also highlighted that the ratings were constrained by fiscal deficit, high government debt and low wealth levels with GDP per capital estimated to be US$ 2,000 in 2017.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, results of operations and financial condition.

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

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

Risks pertaining to this Issue

63. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of our Company available for payment of dividend until the redemption of the debentures. Further, the Companies (Share Capital and Debentures) Rules, 2014, as amended, states that our Company shall create Debenture Redemption Reserve and 'the adequacy' of DRR will be 25% of the value of the debentures outstanding as on the date, issued through public issue as per present SEBI Debt regulations. Accordingly, if we are unable to generate adequate profits, the DRR created by us may not be adequate to meet the 25% of the value of the debentures outstanding as on the date. Further, every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, 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, namely:(i) in deposits with any scheduled bank, free from any charge or lien;(ii) in unencumbered securities of the Central Government or of any State Government; (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882; (v) 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 provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year, in terms of the Applicable Law. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

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

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk issue. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities tend to fall and when interest rates drop, the prices tend to increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

65. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD holders on the assets adequate to ensure minimum 100.00% asset cover for the NCDs, which shall be free from any encumbrances, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

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

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and Allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with BSE. There could be a failure or delay in listing the NCDs on BSE for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by BSE, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Shelf Prospectus. There is no assurance that the NCDs issued pursuant to this Issue will be listed on BSE in a timely manner, or at all.

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

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

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

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

69. Securities on our NCDs rank pari passu with our Company's secured indebtedness.

Substantially all of our Company's current assets represented mainly by the loan receivables are being used to secure our Company's debt. As at March 31, 2018, all our Company's borrowing was ₹ 6,33,249 lakh. Securities on our NCDs will rank *pari passu* with any of our Company's secured obligations with respect to the assets that secure such obligations. The terms of the NCDs do not prevent our Company from incurring additional debt. In addition, the NCDs will rank *pari passu* to the existing and future indebtedness and other secured liabilities and obligations of our Company.

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

Sales of NCDs by any holder may give rise to tax liability, as discussed in section titled '*Statement of Tax Benefits*' on page 57.

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

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

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

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of our Company. For further details, see the section titled "*Objects of the Issue*". The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

73. 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.

74. There may be a delay in making refund to Applicants.

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

SECTION III-INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956, under the name and style "Vysya Bank Housing Finance Limited", by a certificate of incorporation dated November 26, 1990, issued by the ROC. Our Company commenced its operations, pursuant to a certificate of commencement of business dated November 27, 1990. Subsequently, our Company has obtained a certificate of registration dated July 31, 2001 bearing registration no. 01.0020.01 issued by the NHB, in the name of Vysya Bank Housing Finance Limited, to carry on the activities of a housing finance institution under section 29A of the NHB Act, 1987, which was reissued on October 28, 2003, (bearing registration no. 01.0053.03), in the name of DHFL Vysya Housing Finance Limited and reissued on April 5, 2018, (bearing registration no. 04.0168.18), in the name of Aadhar Housing Finance Ltd. (Formerly known as DHFL Vysya Housing Finance Limited). Our name was subsequently changed to "DHFL Vysya Housing Finance Limited" on October 9, 2003 and later to "Aadhar Housing Finance Limited" on December 4, 2017. For further details see *"History and Other Corporate Matters"* on page 104.

Registered Office

No. 3, 'JVT Towers'
8th A Main Road
Sampangi Rama Nagar
Bangalore, Karnataka – 560 027
Tel: +91 80 2221 7637/ 2227 6764
Fax: +91 80 2229 0568
Email: customercare@aadharhousing.com
Website: www.aadharhousing.com

Corporate Office

No. 201, Raheja Point - 1
Near Shamrao Vitthal Bank
Nehru Road, Vakola
Santacruz (East)
Mumbai – 400 055
Tel: +91 22 3950 9900
Fax: +91 22 3950 9934
Email: customercare@aadharhousing.com
Website: www.aadharhousing.com

Registration no.: 011409

Corporate Identification Number: U66010KA1990PLC011409

We received a certificate of registration from the NHB to carry on the business of a housing finance institution in October 28, 2003.

Legal Entity Identifier: 335800JQMNJOX3W7LY96

Chief Financial Officer:

Mr. Anmol Gupta
No. 201, Raheja Point - 1
Near Shamrao Vitthal Bank
Nehru Road, Vakola
Santacruz (East)
Mumbai – 400 055
Tel: +91 22 3950 9940
Fax: +91 22 3950 9934
Email: anmol.gupta@aadharhousing.com

Company Secretary and Compliance Officer

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Sreekanth V. N.
No. 201, Raheja Point-1,
Near Shamrao Vitthal Bank
Nehru Road, Vakola,
Santacruz (East)
Mumbai – 400 055
Tel: +91 22 3950 9900
Fax: +91 22 3950 9934
Email: complianceofficer@aadharhousing.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, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application money etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Members of the Consortium where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

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

Lead Managers

Yes Securities (India) Limited
IFC, Tower 1 & 2, Unit no. 602 A
6th Floor, Senapati Bapat Marg
Elphinstone Road,
Mumbai – 400 013
Tel: +91 22 7100 9829
Fax: +91 22 2421 4508
Email: aadharncd2018@yessecuritiesltd.in
Investor Grievance Email: igc@yessecuritiesltd.in
Website: www.yesinvest.in
Contact Person: Mr. Mukesh Garg/ Mr. Pratik Pednekar
Compliance Officer: Dr. Dhanraj Uchil
SEBI Regn. No.: INM000012227

Edelweiss Financial Services Limited
Edelweiss House, Off CST Road
Kalina, Mumbai – 400 098
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: aadhar.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Mandeep Singh/ Mr. Lokesh Singhi
Compliance Officer: Mr. B. Renganathan
SEBI Regn. No.: INM0000010650

YES Bank Limited
YES Bank Tower, 19th Floor,
Indiabulls Finance Center, Senapati Bapat Marg,
Elphinstone Road, Mumbai – 400 013
Tel: +22 22 3372 9191
Fax: +91 22 2421 4509
Email: aadharncd2018@yesbank.in
Investor Grievance Email:
merchantbanking@yesbank.in
Website: www.yesbank.in
Contact Person: Mr. Sushil Budhia
Compliance Officer: Mr. Rakesh Mehran
SEBI Regn No.: INM000010874

Axis Bank Limited
Axis House, 8th Floor, C-2
Wadia International Centre
P.B. Marg, Worli, Mumbai – 400 025
Tel: +91 22 2425 3803
Fax: +91 22 2425 3800
Email: ahfljuly.2018@axisbank.com
Investor Grievance Email:
sharad.sawant@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Vikas Shinde
Compliance Officer: Mr. Sharad Sawant
SEBI Regn. No.: INM000006104

A. K. Capital Services Limited
30-39 Free Press House,
3rd Floor Free Press Journal Marg, 215
Nariman Point, Mumbai – 400 021
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Email: aadhar.ncd2018@akgroup.co.in
Investor Grievance Email:
investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Mr. Malay Shah/ Mr. Krish Sanghvi
Compliance Officer: Mr. Tejas Davda
SEBI Regn. No.: INM000010411

Green Bridge Capital Advisory Private Limited
519-520, The Summit Business Bay Behind Gurunanak
Petrol Pump, Andheri Kurla Road, Andheri East
Mumbai – 400 093
Tel: +91 22 4928 9600
Fax: +91 22 4928 9650
Email: prashant.chaturvedi@greenbridge.in
Investor Grievance e-mail:
investor.complaints@greenbridge.in
Website: www.greenbridge.in
Contact Person: Mr. Prashant Chaturvedi
Compliance Officer: Mr. Chirag Chaturvedi
SEBI Regn. No: INM000012430

Trust Investment Advisors Private Limited
109/110, Balarama, BKC
Bandra (E),
Mumbai – 400 051
Tel: +91 22 4084 5000
Fax: +91 22 4084 5007
Email: mbd.trust@trustgroup.in
Investor Grievance Email:
customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Mr. Vikram Thirani
Compliance officer: Mr. Ankur Jain
SEBI Regn. No.: INM000011120

Consortium Members

As specified in relevant Tranche Prospectus.

Debenture Trustee

Beacon Trusteeship Limited
4C&D, Siddhivinayak Chambers
Gandhi Nagar, Opp MIG Cricket Club
Bandra (E), Mumbai, Maharashtra – 400 051
Tel: +91 22 2655 8759
Fax: +91 22 2655 8761
Email: vitthal@beacontrustee.in
Investor Grievance Email: contact@beacontrustee.in
Website: www.beacontrustee.in
Contact Person: Mr. Vitthal Nawandhar
SEBI Regn. No.: IND000000569

Beacon Trusteeship Limited has pursuant to Regulation 4(4) of SEBI Debt Regulations, by its letter dated June 8, 2018 given its consent for its appointment as the Debenture Trustee to the Issue and for their name to be included in this Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. For consent see Annexure C of this Draft Shelf Prospectus.

All the rights and remedies of the NCD Holders under this Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Issue without having it referred to the NCD Holders. All investors under this Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Issue to act as their trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company pro tanto from any liability to the NCD Holders.

Bankers to the Company

Axis Bank Limited
Jeevan Prakash Building
Sir PM Road, Fort
Mumbai – 400 001
Email: fort.operationshead@axisbank.com
Tel: +91 22 4086 7336/7474
Fax: +91 22 4086 7327/7378
Website: www.axisbank.com
Contact Person: Mr. Sudhir Raje

Bank of India
Star House, C-5, G block,
BKC, Bandra East, Mumbai – 400 051
Email: lcb.narimanpoint@bankofindia.co.in
Tel: +91 22 2205 1568
Fax: +91 22 2205 1569
Website: www.bankofindia.co.in
Contact Person: Dy. General Manager, BOI Nariman Point Large Corporate Branch

The Federal Bank Limited
Parakkal Towers, Thottakkatukara
Ernakulam, Kerala – 683 102
Email: padmakumarg@federalbank.co.in
Tel: +91 484 288 4008/ 70303 60340
Fax: NA
Website: www.federalbank.co.in
Contact Person: Mr. Padmakumar G

HDFC Bank Limited
4th Floor, Tower B, Peninsula Corporate Park
Lower Parel, Mumbai – 400 013
Email: Neelam.laddha@hdfcbank.com
Tel: +91 22 3395 8042
Fax: +91 22 3078 8583
Website: www.hdfcbank.com
Contact Person: Ms. Neelam Laddha

Maharashtra Gramin Bank
Vrindavan Society Branch
22 A, Vrindavan Society, Thane (West)
Maharashtra – 400 601.
Tel: +91 22 2543 3268
Fax: NA
Email: mahagramin@gmail.com
Website: www.mahagramin.in
Contact Person: Mr. V. N. Burkul, Chief Manager

Bank of Maharashtra
Industrial Finance Branch, Apeejay House
130, B.S.Marg, Fort, Mumbai 400001
Tel: +91 22 2284 4882
Fax: +91 22 2285 0750
Email: bom972@mahabank.co.in
Website: www.bankofmaharashtra.in
Contact Person: Ms. Divya Bhalla

Registrar to the Issue

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32
Financial District, Nanakramguda
Gachibowli, Hyderabad – 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: einward.ris@karvy.com
Investor Grievance Email: : ahfl.ncdipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Regn. No: INR000000221

Joint Statutory Auditors

Chaturvedi SK & Fellows
Chartered Accountants
402 Dev Plaza
Swami Vivekanand Road
Andheri West, Mumbai – 400 058
Tel.: +91 22 6694 3452/ 3453
Fax.: NA
Email: cskfelos@cskfelos.in
Firm registration number: 112627W
Contact Person: Mr. Srikant Chaturvedi

Deloitte Haskins & Sells LLP
Chartered Accountants
Indiabulls Finance Centre, Tower 3
27th to 32nd Floor, Senapati Bapat Marg
Elphinstone Road (West), Mumbai – 400 013
Tel.: +91 22 6185 4000
Fax.: +91 22 6185 4001
Email: sgk@deloitte.com
Firm registration number: 117366W/ W-100018
Contact Person: Mr. G. K. Subramanian

Date of appointment as Joint Statutory Auditors:

Chaturvedi SK & Fellows, *Chartered Accountants* appointed as Statutory Auditors for five years i.e. from the conclusion of 27th AGM till the conclusion of 32nd AGM dated July 24, 2017.

Deloitte Haskins & Sells LLP, *Chartered Accountants*, appointed as Joint Statutory Auditors necessitated due to the merger of both erstwhile Aadhar Housing Finance Limited (Transferor Company) and DHFL Vysya Housing Finance Ltd. (Transferee Company or the Company) branches and increasing business activities of the Company in Extraordinary General Meeting held on March 26, 2018.

Credit Rating Agencies

Credit Analysis and Research Limited
4th Floor, Godrej Coliseum
Somaiya Hospital Road
Off Eastern Express Highway
Sion East, Mumbai – 400 022
Tel: +91 22 6754 3456
Fax: +91 22 6754 3457
Email: ravikumar@careratings.com
Website: www.careratings.com
Contact Person: Mr. Ravi Kumar Dasari
SEBI Regn. No.: IN/CRA/004/1999

Brickwork Ratings India Private Limited
C-502, Business Square
151, Andheri Kurla Road, Chakala
Andheri (East)
Mumbai – 400 093
Tel: 022-6745 6632
Fax: +91-22-28389144
Email: kn.suvarna@brickworkratings.com
Website: www.brickworkratings.com
Contact Person: Mr. K N Suvarna
SEBI Regn. No.: IN/CRA/005/2008

Legal Advisor to the Issue

Khaitan & Co

One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai- 400 013
Maharashtra, India
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050

Bankers to the Issue/ Refund Banks

As specified in relevant Tranche Prospectus.

Self Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Members of the Syndicates or the Trading Members of BSE only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of BSE is provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of BSE only in the Specified Cities, see the above-mentioned web-link.

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".

Underwriting

This Issue will not be been underwritten.

Minimum Subscription

In terms of the provisions of the Companies Act, 2013 and the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue as specified in each Tranche Prospectus. If our Company does not receive the minimum subscription of 75% of the Base Issue, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the relevant Tranche Issue. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated 'CARE AA+ (SO) (Pronouced as CARE Double A Plus Structured Obligation); Outlook: Stable for an amount of ₹ 3,00,000 lakh, by CARE Ratings Limited ("CARE") vide their letter dated July 6, 2018 and 'BWR AA+ (SO) (Pronounced as BWR Double A Plus (Structured Obligation) (for an amount of ` 3,00,000 lakh, by Brickwork Ratings India Private Limited ("Brickwork") vide their letter dated July 6, 2018. The rating of CARE AA+ (SO) by CARE and BWR AA+ (SO) by Brickwork indicate that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

For the rationale for these ratings and disclaimer, see Annexure A and B to this Draft Shelf Prospectus.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please refer to the chapter titled "*Objects of the Issue*" on page 55.

Issue Programme

Issue Programme*	
Issue opens on	As specified in the relevant Tranche Prospectus
Issue closes on	As specified in the relevant Tranche Prospectus

Applications Forms for the Issue will be accepted only between 10 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), (i) by the Consortium, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, at the centres mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, only at the selected cities. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

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 BSE are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("**Board**") or the Management Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation 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 BSE.*

SUMMARY FINANCIAL INFORMATION

The following tables are derived from Reformatted Consolidated Financial Statements and the Reformatted Standalone Financial Statements. The Reformatted Consolidated Financial Statements and the Reformatted Standalone Financial Statements should be read in conjunction with the examination report thereon issued by our Joint Statutory Auditors and statement of significant accounting policies and notes to accounts on the Reformatted Consolidated Financial Statements and the Reformatted Standalone Financial Statements contained in the section titled "*Financial Information*" beginning on page 126.

Reformatted Consolidated Balance Sheet as at March 31, 2018

(₹ in lakh)

Particulars	As at March 31, 2018
A. EQUITY & LIABILITIES	
1 Shareholders' fund	
a. Share capital	2,515
b .Reserves and surplus	67,434
Total shareholders' funds	**69,949**
2 Non current liabilities	
a. Long term borrowings	5,10,488
b. Deferred tax liability [net]	1,801
c. Long term provisions	5,669
Total non-current liabilities	**5,17,958**
3 Current liabilities	
a. Short term borrowings	37,110
b. Trade payables	
a) Total outstanding dues to micro enterprises and small enterprises	-
b) Total outstanding dues of creditors other than micro enterprises	1,382
and small enterprises	
c. Other current liabilities	1,56,092
d. Short term provisions	347
Total current liabilities	**1,94,931**
Total equity and liabilities	**7,82,838**
B. ASSETS	
1 Non current assets	
a. Fixed assets	
(i) Tangible assets	1,830
(ii) Intangible assets	83
	1,913
b. Non current investments	471
c. Long term housing and property loans	6,99,125
d. Other long term loans and advances	1,833
e. Other non current assets	135
Total non current assets	**7,03,477**
2 Current assets	
a. Current investments	20,483
b. Trade receivables	1,331
c. Cash and bank balance	19,708
d. Short term portion of housing and property loans	36,145
e. Short term loans and advances	581
f. Other current assets	1,113
Total current assets	**79,361**
Total assets	**7,82,838**

Reformatted Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(₹ in lakh)

Particulars	For the year ended March 31, 2018
1 Income	
Revenue from operations	80,719
Other income	12
Total income	**80,731**
2 Expenses	
Finance costs	46,201
Employees benefits expense	10,761
Depreciation and amortization	363
Provision for contingencies	1,987
Other expenses	5,528
Total expenses	**64,840**
3 Profit before tax	**15,891**
4 Tax expense	
Current tax	5,687
Deferred tax	242
	5,929
5 Profit for the year	**9,962**
6 Earnings per equity share	
Basic and diluted earnings per share (₹)	46.41

Reformatted Consolidated Cash flow statement for the year ended March 31, 2018

(₹ in lakh)

Particulars	For the year ended March 31, 2018
A. Cash flow from operating activities	
Net profit before tax	15,891
Adjustments for:	
Depreciation	363
Provision for contingencies	1,987
Profit on sale of investment in mutual fund and other investments	(1,462)
Operating profit before working capital changes	16,779
Adjustments for:	
Increase/(Decrease) in liabilities and provisions	33,728
(Increase)/Decrease in trade receivables	(366)
(Increase)/Decrease in loans and advances	(386)
(Increase)/Decrease in other assets	63
Cash generated from operations during the year	49,818
Tax paid	(5,793)
Net cash flow from operations	44,025
Housing and other property loans disbursed	(3,90,465)
Housing and other property loans repayments	89,967
Net cash used in operating activities [A]	**(2,56,473)**
B. Cash flow from investing activities	
Proceeds received on sale / redemption of investments	7,14,257
Payment towards purchase of investments	(7,16,336)
Investment in fixed deposits (net of maturities)	1,784
Payment towards purchase of fixed assets Proceeds received on sale of fixed assets	(758)
Net cash used in investing activities [B]	**(1,053)**
C. Cash flow from financing activities	
Proceeds received on allotment of equity shares	11,500
Proceeds from loans from banks/institutions	2,31,695
Proceeds from loans from NCDs	48,500
Repayment of loans to banks/institutions	(62,447)
Repayment of loans to NCDs	(8,800)
Net proceeds / (repayment) of short term Loan	(5,988)
Proceeds from fixed deposits	3,878
Repayment of fixed deposits	(2,230)
Proceeds from assignment of portfolio	35,341
Dividend paid	(776)
Tax paid on dividend	(158)
Net cash generated from financing activities [C]	**2,50,515**
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**(7,011)**
Cash and cash equivalents at the beginning of the year	7,357
Cash and cash equivalents acquired on amalgamation	18,566
Cash and cash equivalents at the end of the year	18,912

Reformatted Standalone Balance Sheet

(₹ in lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
A. EQUITY & LIABILITIES 1 Shareholders' fund					
a. Share capital	2,515	1,108	1,108	1,108	1,108
b. Reserves and surplus	67,445	14,265	13,573	12,067	10,414
Total shareholders' funds	**69,960**	**15,373**	**14,681**	**13,175**	**11,522**
2 Non current liabilities					
a. Long term borrowings	5,10,488	1,39,536	1,11,347	97,781	90,111
b. Deferred tax liability [net]	1,818	1,721	940	448	-
c. Long term provisions	5,669	1,754	1,204	992	817
Total non-current liabilities	**5,17,975**	**1,43,011**	**1,13,491**	**99,221**	**90,928**
3 Current liabilities					
a. Short term borrowings	37,110	-	-	-	-
b. Trade payables a) Total outstanding dues to micro enterprises and small					
b) Total outstanding dues of creditors other than micro enterprises	1,377	259	40	32	22
c. Other current liabilities	1,55,987	33,881	31,007	26,235	22,820
d. Short term provisions	333	953	160	800	437
Total current liabilities	**1,94,807**	**35,093**	**31,207**	**27,067**	**23,279**
Total equity and liabilities	**7,82,742**	**1,93,477**	**1,59,379**	**1,39,463**	**1,25,729**
B. ASSETS 1 Non current assets a. Fixed assets					
(i) Tangible assets	1,830	238	88	70	111
(ii) Intangible assets	83	8	8	10	10
	1,913	**246**	**96**	**80**	**121**
b. Deferred tax assets [net]	-	-	-	-	148
c. Non-current investments	472	968	582	571	540
d. Long term housing and property loans	6,99,125	1,70,096	1,35,854	1,20,693	1,03,457
e. Other long-term loans and advances	1,744	470	392	293	205
f. Other non-current assets	135	280	80	80	80
Total non current assets	**7,03,389**	**1,72,060**	**1,37,004**	**1,21,717**	**1,04,551**
2 Current assets					
a. Current investments	20,483	96	-	-	-
b. Trade receivables	1,331	496	408	352	301
c. Cash and bank balance	19,634	8,684	10,440	5,603	11,394
d. Short term portion of housing and property loans	36,145	10,903	11,065	11,339	9,155
e. Short term loans and advances	647	164	147	151	128
f. Other current assets	1,113	1,074	315	301	200
Total current assets	**79,353**	**21,417**	**22,375**	**17,746**	**21,178**
Total assets	**7,82,742**	**1,93,477**	**1,59,379**	**1,39,463**	**1,25,729**

Reformatted Standalone Statement of Profit and Loss

(₹ in lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
1 Income					
Revenue from operations	79,806	21,198	19,281	17,871	15,009
Other income	14	4	3	1	6
Total income	**79,820**	**21,202**	**19,284**	**17,872**	**15,015**
2 Expenses					
Finance costs	46,201	14,632	13,194	11,806	9,937
Employees benefits expense	9,878	1,728	1,148	988	812
Depreciation and amortisation	363	55	38	68	37
Provision for contingencies	1,987	425	216	123	197
Other expenses	5,486	786	687	574	419
Total expenses	**63,915**	**17,626**	**15,283**	**13,559**	**11,402**
3 Profit before tax	**15,905**	**3,576**	**4,001**	**4,313**	**3,613**
4 Tax expense					
Current tax	5,673	1,206	1,203	1,246	1,043
Deferred tax	259	49	126	230	(55)
	5,932	**1,255**	**1,329**	**1,476**	**988**
5 Profit for the year	**9,973**	**2,321**	**2,672**	**2,837**	**2,625**
6 Earnings per equity share					
Basic and diluted earnings per share (₹)	46.46	24.56	24.12	25.61	23.69

Reformatted Standalone Cash flow statement

(₹ in lakh)

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
A. Cash flow from operating activities					
Net profit before tax	15,905	3,576	4,001	4,313	3,613
Adjustments for:					
Depreciation	363	55	38	68	37
Loss on sale of fixed assets sold (Net)	-	1	-	-	-
Provision for contingencies	1,987	425	216	123	197
Dividend income	-	-	-	-	(15)
Profit on sale of investment in mutual fund and other investments	(1,462)	-	-	-	-
Operating profit before working capital changes	16,793	4,057	4,255	4,504	3,832
Adjustments for:					
Increase/(Decrease) in liabilities and provisions	33,601	2,157	900	(2,528)	2,670
(Increase)/Decrease in trade receivables	(366)	(57)	(56)	(51)	(48)
(Increase)/Decrease in loans and advances	(451)	30	(95)	(111)	(87)
(Increase)/Decrease in other assets	64	(1,047)	(14)	(101)	(15)
Cash generated from operations during the year	49,641	5,140	4,990	1,713	6,352
Tax paid	(5,691)	(1,269)	(1,316)	(1,269)	(1,044)
Net cash flow from operations	43,950	3,871	3,674	444	5,308
Housing and other property loans disbursed	(3,90,465)	(64,565)	(44,238)	(42,646)	(36,331)
Housing and other property loans repayments	89,967	30,485	29,351	23,226	18,523
Net cash used in operating activities [A]	**(2,56,548)**	**(30,209)**	**(11,213)**	**(18,976)**	**(12,500)**
B. Cash flow from investing activities					
Proceeds received on sale / redemption of investments	7,14,257	-	-	-	160
Payment towards purchase of investments	(7,16,337)	(482)	-	-	-
Dividend income	-	-	-	-	15
Investment in fixed deposits (net of maturities)	1,784	(527)	(800)	800	(1,000)
Payment towards purchase of fixed assets	(776)	(177)	(54)	(45)	(44)
Proceeds received on sale of fixed assets	19	6	-	-	-
Net cash used in investing activities [B]	**(1,053)**	**(1,180)**	**(854)**	**755**	**(869)**
C. Cash flow from financing activities					
Proceeds received on allotment of equity shares	11,500	-	-	-	-
Proceeds from loans from banks/institutions	2,31,695	56,320	54,000	36,500	35,258
Proceeds from loans from NCDs	48,500	9,940	-	-	-
Repayment of loans to banks/institutions	(62,447)	(40,112)	(37,866)	(23,413)	(17,639)
Repayment of loans to NCDs	(8,800)	-	-	-	-
Net proceeds / (repayment) of short term Loan	(5,988)	-	-	-	-
Proceeds from fixed deposits	3,878	4,908	2,348	1,237	799
Repayment of fixed deposits	(2,230)	(1,616)	(911)	(770)	(605)
Proceeds from assignment of portfolio	35,341	-	-	-	-
Dividend paid	(775)	(111)	(1,219)	(277)	(831)
Tax paid on dividend	(158)	(23)	(248)	(47)	(141)
Net cash generated from financing activities [C]	**2,50,516**	**29,306**	**16,104**	**13,230**	**16,841**
Net increase / (decrease) in cash and cash	**(7,085)**	**(2,083)**	**4,037**	**(4,991)**	**3,472**

Particulars	For the year ended				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
equivalents [A+B+C]					
Cash and cash equivalents at the beginning of the year	7,357	9,440	5,403	10,394	6,922
Cash and cash equivalents acquired on amalgamation	18,566	-	-	-	-
Cash and cash equivalents at the end of the year	18,838	7,357	9,440	5,403	10,394

CAPITAL STRUCTURE

Details of Share Capital and Securities Premium account

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as of the date of this Draft Shelf Prospectus:

(in ₹)

	Aggregate value
Authorised share capital	
22,00,00,000 Equity Shares of face value ₹ 10 each	2,20,00,00,000
Issued, subscribed and paid up Equity Share capital	
2,51,48,472 Equity Shares of face value ₹ 10 each	25,14,84,720
Paid up equity share capital after the Issue	
2,51,48,472 Equity Shares of face value ₹ 10 each	25,14,84,720
Securities premium account	
Existing Securities Premium Account	4,09,12,68,980

1. ***Details of change in Authorized share capital of our company as on the date of this Draft Shelf Prospectus for last five years:***

Date of AGM/ EGM	Alteration
November 20, 2017	The Authorised Share Capital increased pursuant to the filing of the NCLT Order dated October 27, 2017, approving the Scheme of Amalgamation alongwith Letter for Combination of Authorised Share Capital of erstwhile Aadhar Housing Finance Limited and our Company, in Form INC-28, dated November 20, 2017 to 22,00,00,000 Equity Shares of face value ₹ 10 each aggregating to ₹ 2,20,00,00,000.

2. ***Equity Share capital of our Company***

The Equity Share capital history of our Company for the last five years up to the quarter ended June 30, 2018 are as mentioned below:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Nature of allotment	Cumulative No. of Equity Shares	Cumulative Equity Share capital (₹)	Cumulative Share Premium Account (₹)
December 5, 2017	1,01,25,360	10.0	291.50	Other than cash[1]	2,12,06,065	21,20,60,650	2,98,06,92,928
March 8, 2018	39,42,407	10.0	291.70	Cash[2]	2,51,48,472	25,14,84,720	4,09,12,68,980

[1] *Allotment to the equity shareholders of Transferor Company as per Scheme of Amalgamation approved by NCLT.*
[2] *Preferential Allotment of 17,14,090 Equity Shares to Wadhawan Global Capital Limited and 22,28,317 Equity Shares to International Financial Corporation.*

3. ***Details of Promoter' shareholding in our Company as on June 30, 2018***

Names of Directors	Number of Equity Shares held
Wadhawan Global Capital Limited	1,75,97,715

4. ***Changes in promoter's holding during the last financial year***

Other than allotment of Equity Shares pursuant to the Merger of Erstwhile Aadhar Housing Finance Limited with our Company in terms of NCLT order dated November 20, 2017 there has been no changes to our Promoter Shareholding in the last financial year.

5. ***Shareholding of Directors in our Company as on June 30, 2018***

For details of shareholding of our Directors in our Company (including options), please refer to "*Our Management - Shareholding of Directors*" on page 121.

6. *Shareholding pattern of our Company*

The following is the shareholding pattern of our Company, as of quarter ended June 30, 2018:

Sr. No.	Category of shareholder	Number 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)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares*		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised 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 e.g.: x	Class e.g.: 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	5	20,310,873	0	0	20,310,873	80.76	20,310,873	0	20,310,873	80.76	Nil	80.76	NA	NA	NA	NA	20,310,873
(B)	Public	176	48,37,599	0	0	48,37,599	19.24	48,37,599		48,37,599	19.24	Nil	19.24	NA	NA	NA	NA	48,37,599
(C)	Non-Promoter - Non-Public	0	0	0	0	0	0.00	0	0	0	0.00	Nil	0.00	NA	NA	NA	NA	0
(C1)	Shares Underlying DRs	0	0	0	0	0	0.00	0	0	0	0.00	Nil	0.00	NA	NA	NA	NA	0
(C2)	Shares Held by Employee Trust	0	0	0	0	0	0.00	0	0	0	0.00	Nil	0.00	NA	NA	NA	NA	0
	Total		**2,51,48,472**				**100.00**				**100.00**		**100.00**	**NA**	**NA**	**NA**	**NA**	**2,51,48,472**

7. ***Top 10 Equity Shareholders of our* Company as at quarter ended June 30, 2018**

Sr. No.	Shareholder's name	Equity Shares*	Percentage (%)
1.	Wadhawan Global Capital Limited	17,597,715	69.98
2.	International Finance Corporation	42,53,389	16.91
3.	Dewan Housing Finance Corporation Limited	23,01,090	9.15
4.	ICICI Bank Limited	4,65,000	1.85
5.	Aruna Wadhawan	1,44,034	0.57
6.	Dheeraj Wadhawan	1,34,017	0.53
7.	Kapil Wadhawan	1,34,017	0.53
8.	Ramco Industries Limited	30,000	0.12
9.	Variya Hospitality and Investments Private Limited	8,403	0.03
10.	Ramesh Gelli	7,900	0.03
	Total	**2,50,75,565**	**99.70**

** all Equity Shares held by the top 10 Equity Shareholders of our Company are held in dematerialised form*

8. ***Top 10 debenture holders (secured and unsecured) of our Company***

List of top 10 debenture holders our Company as at quarter ended June 30, 2018 are as follows:

(₹ in lakhs)

Sr. No.	ISIN	Name and address of the debenture holder	Aggregate Amount
1.	INE538L07353	Bank of India	5,000
2.	INE538L07411	Equitas Small Finance Bank Limited	5,000
3.	INE538L07429	Equitas Small Finance Bank Limited	5,000
4.	INE538L07445	L&T Mutual Fund Trustee Limited - L&T Credit Risk Fund	5,000
5.	INE538L07452	L&T Mutual Fund Trustee Limited - L&T Low Duration Fund	4,000
6.	INE538L07056	General Insurance Corporation of India	2,500
7.	INE538L07437	Equitas Small Finance Bank Limited	2,500
8.	INE538L07445	ITPL - Invesco India Ultra Short Term Fund	2,500
9.	INE538L07452	ITPL - Invesco India Ultra Short Term Fund	2,500
10.	INE538L07064	Syndicate Bank	2,000

9. ***Long term debt to equity ratio.***

The debt equity ratio prior to this Issue is based on a total outstanding consolidated debt of ₹ 633,249 lakhs and shareholder funds amounting to ₹ 69,954 lakhs as on March 31, 2018. The debt equity ratio post the Issue (assuming subscription of ₹ 3,00,000 lakhs) is 13.34 times, based on a total outstanding debt of ₹ 9,33,249 lakhs and shareholders fund of ₹ 69,943 lakhs as on as at March 31, 2018.

(₹ in lakh)

Particulars	Prior to the Issue (as of March 31, 2018)	Post-Issue [1*]
Debt		
Short term debt [2]	37,345	37,345
Long term debt [3]	5,95,904	8,95,904
Total debt	6,33,249	9,33,249
Shareholders' fund		
Share capital	2,515	2,515
Reserves and surplus excluding revaluation reserve	67,439	67,439
Total shareholders' funds	69,954	69,954
Long term debt/ equity (in times)[5]	8.52	12.81
Total debt/ equity (in times)[4]	9.05	13.34

1. *Assuming the Issue is fully subscribed*
2. *Short term debt = Short term borrowings + Unclaimed matured deposits and interest accrued thereon.*
3. *Long term debt = Long term borrowings + current maturities of long term borrowings.*
4. *Total Debt-Equity = Total debt outstanding at the end of the year/Shareholders Fund –*
5. *Long term Debt-Equity = Total long-term debt outstanding at the end of the year/Shareholders Fund*

** To be updated in the Shelf Prospectus\ Figures are rounded off to nearest ₹ in lakh.*

10. ***Shareholding of Directors in our Subsidiary as on June 30, 2018***

Name of Director	Name of Subsidiary	No. of Equity Shares	%
Deo Shankar Tripathi	Aadhar Sales and Services Private Limited	10*	Negligible

**as nominee of our Company*

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

There are no acquisition or amalgamation undertaken by our Company in the last one year except as stated in "*History and Other Corporate Matters - Amalgamation of the erstwhile Aadhar Housing Finance Limited with our Company*" on page 104.

12. **Statement of the aggregate number of securities of our company purchased or sold by our promoters, our directors and/or their relatives within six months immediately preceding the date of filing of the Draft Shelf Prospectus**

Nil

13. ***Allotments made in the last two years preceding the date of the prospectus separately indicating the allotments made for considerations other than cash***

Other than as disclosed below our Company has not issued any Equity Shares for other than cash in the two years prior to the date of this Draft Shelf Prospectus:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Reason for allotment made other than cash
December 5, 2017	1,01,25,360	10.0	291.50	Allotment to the equity shareholders of Transferor Company as per Scheme of Amalgamation approved by NCLT. For details see "*History and other Corporate Matters*" on page 104

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

15. **Employee Stock Option Scheme/ Employee Stock Appreciation Right**

Our Company has not approved or offered any employee stock options to its employees.

The Shareholders of the Company, *vide* special resolution dated March 26, 2018, approved the Aadhar Housing Finance Limited - Employee Stock Appreciation Rights Plan 2018 ("**ESAR 2018 Plan**") and grant of Employee Stock Appreciation Rights ("**ESAR**") in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, exercisable into not more than 11,00,000 fully paid-up Shares in the Company, in aggregate, of face value of ₹10, at such ESAR Price or ESAR Prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of ESAR 2018 Plan and in due compliance with other Applicable Laws and regulations.

The number of Shares resulting from the Exercise of ESARs that may be offered to any specific Employee shall not exceed Options equivalent to 1% of the total paid up shares per eligible Employee at the time of Grant of ESARs under ESAR 2018 Plan

If an Option expires, lapses or becomes un-exercisable due to any reason, it shall be brought back to the Options pool and shall become available for future grants, subject to compliance with the provisions of the Applicable Laws.

Where Shares are issued consequent upon Exercise of ESARs under the ESAR 2018 Plan, the maximum number of Shares that can be issued under ESAR 2018 PLAN as referred to in Sub-clause 3.1 above will stand reduced to the extent of such Shares issued.

In case of a split in the Equity Shares where the face value of the Equity Shares is reduced below ₹10, the maximum number of Shares available for being granted under ESAR 2018 Plan shall stand modified accordingly, so as to ensure that the cumulative face value prior to such split remains unchanged after the share split. In case of a Share consolidation where the face value of the Equity Shares is increased above ₹10, the maximum number of Equity Shares available for being granted under ESAR 2018 Plan shall stand modified accordingly, so as to ensure that the cumulative face value (prior to such consolidation remains unchanged after the share consolidation.

The specific Employees to whom the ESARs would be granted and their Eligibility Criteria would be determined by the Nomination and Remuneration Committee.

ESARs granted under ESAR 2018 PLAN would Vest after One (1) year but not later than Three (3) years from the Grant Date of such ESARs

Unless the Nomination and Remuneration Committee requires a different Vesting schedule on any other occasion of Grant, the following Vesting schedule shall apply to all Grants made under this Plan:

Dates of Vesting	Percentage of ESARs to vest
On 1st anniversary from the date of Grant	30% of ESARs granted
On 2nd anniversary from the date of Grant	30% of ESARs granted
On 3rd anniversary from the date of Grant	40% of ESARs granted

Vesting of ESARs would be subject to continued employment with the Company and its Holding Company (or a subsidiary of the Company in case of transfer), as the case may be. The Nomination and Remuneration Committee may also specify certain performance parameters subject to which the ESARs would Vest. The specific Vesting schedule and conditions subject to which Vesting would take place would be outlined in the document given to the ESAR Grantee at the time of Grant.

Subject to adjustment in the Proviso below, the ESAR Price per ESAR shall be equal to the Fair Market Value per Share as on Grant Date of ESARs. Provided that the ESAR Price as prescribed above shall be adjusted upward or downward at the time of Exercise by such an amount so as to ensure that the Appreciation thereof shall be equal to excess of Fair Market Value immediately prior to the date of such Exercise over the ESAR Price as prescribed above and on such adjusted ESAR Price becoming applicable, it shall be deemed that as if such adjusted ESAR Price has been originally contemplated at the time of Grant for all purpose including determination of Appreciation.

OBJECTS OF THE ISSUE

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

1. For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of the Company; and

2. General corporate purposes.

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

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

(₹ in lakh)

Sr. No.	Description	Amount
1.	Gross Proceeds of the Issue	As per relevant Tranche Prospectus
2.	Issue Related Expenses	As per relevant Tranche Prospectus
3.	Net Proceeds	As per relevant Tranche Prospectus

Requirement of funds and Utilisation of Net Proceeds

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

Sr. No.	Objects of the Fresh Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of the Company#	At least 75%
2.	General Corporate Purposes*	Maximum of up to 25%
	Total	**100%**

Our Company shall not utilise 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 Debt Regulations.*

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

Our Board of Directors, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending 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 as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board shall monitor the utilization of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2018-19, 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. 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 BSE.

Issue expenses

A portion of this Issue proceeds will be used to meet Issue expenses. The estimated Issue expenses shall be disclosed in relevant Tranche Prospectus.

Other Confirmation

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

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, Key Managerial Personnel, or companies promoted by our Promoter, except payments to be made by way of fees and commission to various Group companies that participate in the Issue as SEBI registered intermediaries.

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. The Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

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

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, subject to applicable act, laws, regulations, rules, 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.

Variation in terms of contract or objects

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

STATEMENT OF TAX BENEFITS

The Board of Directors
Aadhar Housing Finance Limited
(Formerly known as "DHFL Vysya Housing Finance Limited")
No.3, 'JVT Towers', 8th A Main Road,
Sampangi Rama Nagar,
Bangalore, Karnataka,
India – 560027.

Dear Sirs,

Sub: Statement of possible Tax Benefits under Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, available to Debenture Holders of Aadhar Housing Finance Limited ("Company") in connection with proposed issue of Non-Convertible Debentures ("Issue")

We refer to the proposed issue of Secured Non-Convertible Debentures by the Company. We enclose herewith the statement showing the current positions of tax benefits available to the debenture holders as per the provisions of the Income-tax Act, 1961 ("I.T. Act") and Income tax Rules, 1962 including amendments made by Finance Act 2018 as applicable for the financial year 2018-19. Several of these benefits are dependent on the Company and its debenture holders fulfilling the conditions prescribed under the relevant provisions of the I.T. Act. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilling such conditions.

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

The benefits discussed in the enclosed Annexure are not exhaustive. This statement is only intended to provide general information to the debenture holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each debenture holder is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which a debenture holder can avail. Neither are we suggesting nor are we advising the debenture holders to invest money based on this statement.

We accept no responsibility to debenture holders or any third party and this should be stated in the Draft Shelf Prospectus, Shelf Prospectus and/or Prospectus and/or Tranche Prospectus(es) (collectively the "**Offer Documents**"). The contents of the enclosed statement are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

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

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

This statement is provided solely for the purpose of assisting the Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its debenture holders in the Offer Documents for the Issue which the Company intends to file to the BSE Limited, the National Stock Exchange of India Limited, the Securities and Exchange Board of India, the relevant Registrar of Companies in India and any other regulatory authorities as required under the applicable laws, in connection with the Issue provided that the below statement of limitation is included in the Offer Documents.

LIMITATIONS
Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. 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 change from time to time. We

do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the debenture holders who may or may not invest in the Issue relying on the statement.

This statement has been prepared solely in connection with the Issue under the Regulations as amended.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/ W-100018)

G. K. Subramaniam
Partner
(Membership Number: 109839)

For CHATURVEDI SK & FELLOWS
Chartered Accountants
(Firm's Registration No.112627W)

Srikant Chaturvedi
Partner
(Membership Number: 070019)

Mumbai, July 9, 2018

ANNEXURE

STATEMENT OF TAX BENEFITS

The information provided below sets out the possible direct tax benefits available to the debenture holders of the company in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of non-convertible debentures ("debentures"), under the current tax laws presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on commercial imperatives a debenture holder faces, may or may not choose to fulfil. We do not express any opinion or provide any assurance as to whether the Company or its debenture holders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice.

Debenture holders are advised to consult their own tax consultant with respect to the tax implications of an investment in the debentures particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement.

This statement has been prepared solely in connection with the Issue under the Regulations as amended.

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

A. Under the Income-Tax Act, 1961 ("I.T. Act")

I. Tax benefits available to the Resident Debenture Holders

1. Interest on debentures received by resident debenture holders would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.

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

   As per section 112 of the I.T. 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 and Education Cess ("cess")) of capital gains calculated without indexation of the cost of acquisition. The capital gains shall be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition of the debentures from the sale consideration.

   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.

3. As per section 2(42A) of the I.T. Act, a listed debenture is treated as a short term capital asset if the same is held for not more than 12 months immediately preceding the date of its transfer.

   Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 2 above would also apply to such short term capital gains.

4. In case debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act.

5. Securities Transaction Tax ("STT") is a tax levied on all transactions in specified securities done on the stock exchanges at rates prescribed by the Central Government from time to time. STT is not applicable on transactions in the debentures.

6. Income tax is deductible at source on interest on debentures, payable to resident debenture holders at the time of credit/ payment as per the provisions of section 193 of the I.T. Act. However, no income tax is deductible at source in respect of any security issued by a Company in a dematerialised form and is listed on recognised stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.

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

II Tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

III Exemption under Sections 54EE and 54F of the I.T. Act

1. As per provisions of Section 54EE of the I.T. Act, long term capital gains arising to debenture holders on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified units within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified units are transferred within three years from their date of acquisition, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gains in the year in which units are transferred. Further, in case where loan or advance on the security of such notified units is availed, such notified units shall be deemed to have been transferred on the date on which such loan or advance is taken. However, the amount of exemption with respect to the investment made in the aforesaid notified units during the financial year in which such debentures are transferred and the subsequent financial year, should not exceed ₹ 50 lacs.

2. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a debenture holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

   This exemption is available, subject to the condition that the debenture holder does not own more than one residential house at the time of such transfer. If the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the debenture holder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house (other than the new residential house referred above), then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

IV Requirement to furnish PAN under the I.T. Act

1. Section 139A(5A) of the I.T. Act requires every person receiving any sum or income or amount from which tax has been deducted under Chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deducting such tax.

2. Section 206AA of the I.T. Act requires every person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB ("deductee") to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:

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

   (ii) at the rate or rates in force; or

   (iii) at the rate of twenty per cent.

3. As per Rule 37BC, the higher rate under section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details *inter alia* TRC and Tax Identification Number (TIN).

V Taxability of Gifts received for nil or inadequate consideration

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

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

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

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

NOTES:

1. The statement of tax benefits enumerated above is as per the Income-tax Act, 1961, as amended by the Finance Act, 2018.

2. Surcharge is levied on individuals, HUF, association of persons, body of individuals and artificial juridical person at the rate of 10% on tax where total income exceeds ₹ 50 lacs but does not exceed ₹1 crore and at the rate of 15% on tax where the total income exceeds ₹ 1 crore.

3. Surcharge is levied on firm, co-operative society and local authority at the rate of 12% on tax where the total income exceeds ₹ 1 crore.

4. Surcharge is levied on domestic companies at the rate of 7% on tax where the income exceeds ₹ 1 crore but does not exceed ₹ 10 crores and at the rate of 12% on tax where the income exceeds ₹ 10 crores.

5. Health and Education Cess is to be applied at 4% on aggregate of base tax and surcharge.

6. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to General Anti Avoidance Rules covered under Chapter X-A of the Act.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information in this section has been extracted from publicly available documents, including CRISIL Research – Housing Finance NBFC Report, November 2017 ("**CRISIL Research - HFC Report**"), CRISIL Research – Housing Finance Low-Cost (Ticket size < Rs 1 mn) NBFC Report, November 2017 ("**CRISIL Research - Affordable Housing Finance Report**" which together with CRISIL Research - HFC Report are referred to as "**CRISIL Reports**".) and various ministries, trade, industry or general publications and other third-party sources as cited in this section. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. While we have exercised reasonable care in compiling and reproducing such official, industry, market and other data in this document, it has not been independently verified by us or any of our advisors, or any of the Lead Managers or any of their advisors and should not be relied on as if it had been so verified.*

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Overview of the Indian Economy

GDP and Disposable Income

The Indian economy is one of the largest economies in the world, with a GDP at current price of an estimated ₹ 167.2 trillion for the fiscal year 2016-2017 (*Source: The International Monetary Fund's World Economic Outlook as of October 2017*). Growth in India was revised down to 6.7 percent in 2017, given the lingering disruptions from demonetisation i.e. currency exchange initiative introduced in November 2016, as well as transition costs related to national Goods and Services Tax (GST).

The introduction of GST, which promises the unification of India's vast domestic market, is among several key structural reforms under implementation by the Government that are expected to help push growth above 8 percent in the medium term. (*Source: The International Monetary Fund's World Economic Outlook as of October 2015*). The following table represents a comparison by calendar year of real GDP growth rates of certain countries:

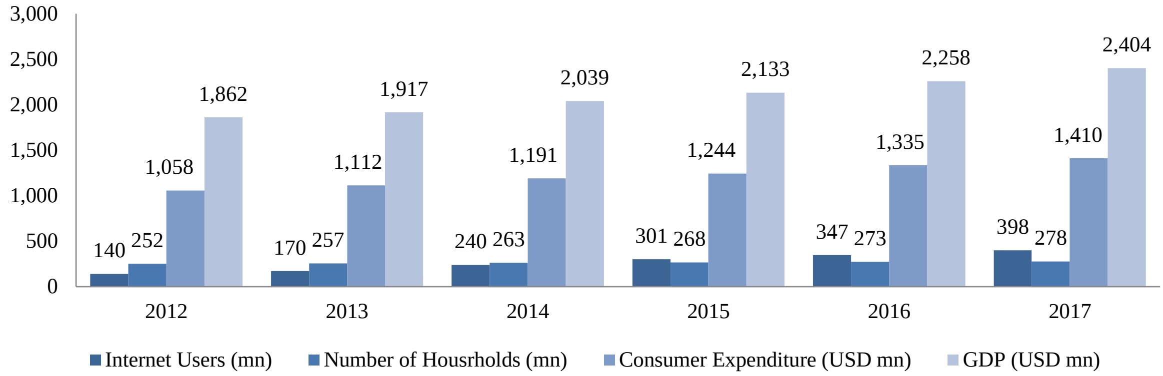
(%)

Country	2013	2014	2015	2016	2017P	2018P	2022P
Australia	2.1	2.8	2.4	2.5	2.2	2.9	2.7
Brazil	3.0	0.5	(3.8)	(3.6)	0.7	1.5	2.0
China	7.8	7.3	6.9	6.7	6.8	6.5	5.8
India	6.4	7.5	8.0	7.1	6.7	7.4	8.2
Japan	2.0	0.3	1.1	1.0	1.5	0.7	0.6
Russian Fed	1.8	0.7	(2.8)	(0.2)	1.8	1.6	1.5
United Kingdom	1.9	3.1	2.2	1.8	1.7	1.5	1.7
United States	1.7	2.6	2.9	1.5	2.2	2.3	1.7

Note: Years refer to calendar years; data for 2017, 2018 and 2022 are projections
(Source: The International Monetary Fund's World Economic Outlook as of October 2017)

Despite an overall slowdown in India's rate of GDP growth since 2011, per capita GDP at constant prices in India nevertheless grew from an estimated US$ 5,190 in 2013 to an estimated US$6,538 for the year of 2017 (*Source: IMF World Economic Outlook Database Oct 2017*).

The following graph illustrates the size of India India's GDP amongst other macro parameters to drive the growth going forward:



(Source: Euromonitor International India Country Factfile (www.euromonitor.com/india/country-factfile))

Investors' perceptions of India improved in early 2014, due to a reduction of the current account deficit and expectations of post-election economic reform, resulting in a surge of inbound capital flows and stabilization of the rupee (*Source: CIA Factbook*).

GDP growth slowed down in the year 2016-2017, rising 7.1% as compared to a growth of 8.0% in the year 2015-2016. The growth moderated due to slowdown in gross capital formation as waning business confidence and flagging entrepreneurial energies took their toll on the appetite for new investment, even as government and private consumption accelerated and held up aggregate demand (*Source: RBI's Annual Report 2016-2017*).

Population

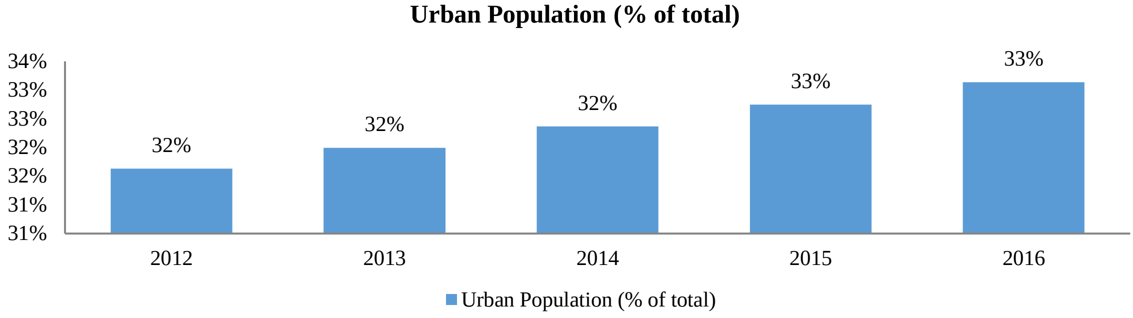
India had an estimated population of 1.281 billion as of July 2017. Approximately 66.5% of the entire population in India in 2015 lived in rural and remaining 33.5% lived in urban areas, respectively. The estimated rate of urbanization in India is 2.28% between 2015 and 2020 (*Source: CIA Factbook*).

The outlook for India's long-term growth is moderately positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. The median age of its population is only 27.9 years as of 2017 (*Source: CIA Factbook*)

In the current decade, India's population is expected to grow at 1.1%. Any increase in population directly impacts the demand for housing units. The number of householders is likely to increase as well with the change in age mix, growing number of nuclear families, increasing urbanisation and penetration of financing.

CRISIL expect urbanisation to accelerate, translating into a CAGR of 2.8-3.0% in urban population between 2016-17 and 2020-21, compared with the overall population growth of 1.1% during the same period. Urbanisation has a twin impact on housing demand. it results in a rise in the number of nuclear families, leading to the formation of more urban households, and reduces the area requirement per household. (*Source: CRISIL Research, Housing Finance: Industry Information Report, November 2017*)

The following graph sets out the share of the urban population as percentage of the total population for the years 2012 to 2016:



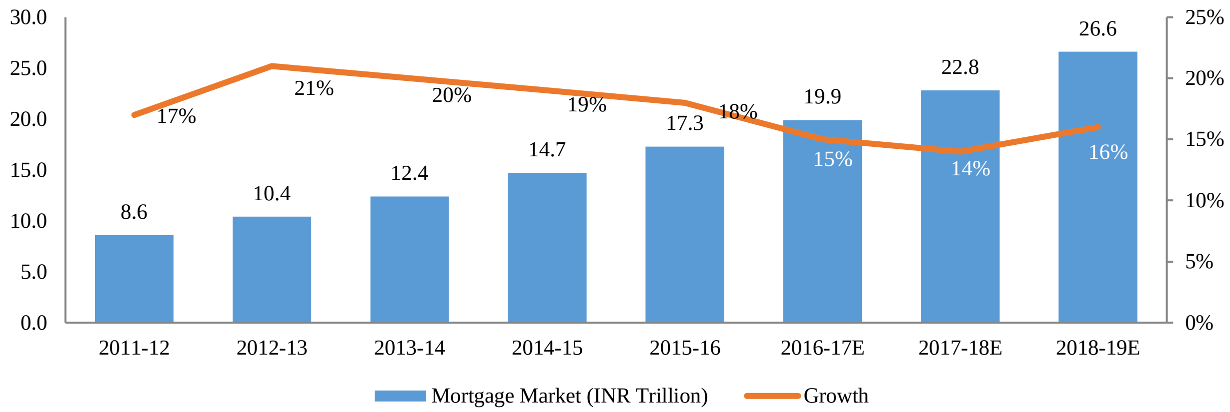
(Source: World Bank data files; https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS)

Indian Housing Finance Industry

Overview

The Indian housing finance market has grown rapidly, with mortgage lending significantly contributing to growth in construction and demand for housing. Housing finance companies (HFCs) have been at the forefront, clocking CAGR of approximately 22% in loan outstanding between 2011-12 and 2016-17 vis-a-vis the industry's (banks + HFCs) 18-19%. This is due to higher growth in non-metro cities supported by government's support, rising finance penetration, lower interest rates, easing inflation, increasing demand from Tier-II cities as well as improved transparency and higher focus by HFCs.

Total mortgage book to grow at strong pace over next two years

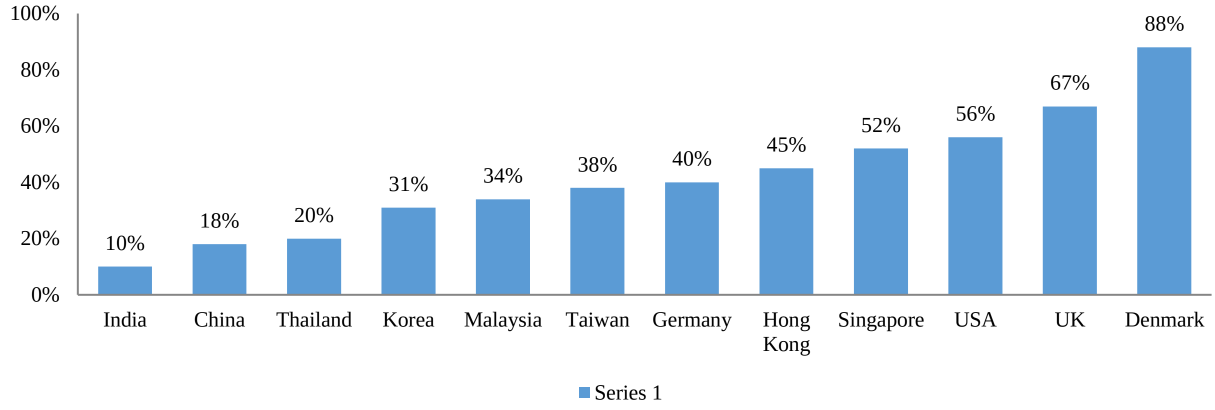


Note: Includes the overall port folio of HFC and only housing loans and developer loans of banks
(Source: CRISIL Research – HFC Report)

Indian mortgage market to follow the global path

India's mortgage-to-GDP ratio was still low at 10% in fiscal 2016 compared with other developing countries, but it has improved from 7.4% in fiscal 2010, given rising incomes, improving affordability, growing urbanisation and nuclearisation of families, emergence of tier-II and tier-III cities, ease of financing, tax incentives, and widening reach of financiers. (Source: CRISIL Research – HFC Report)

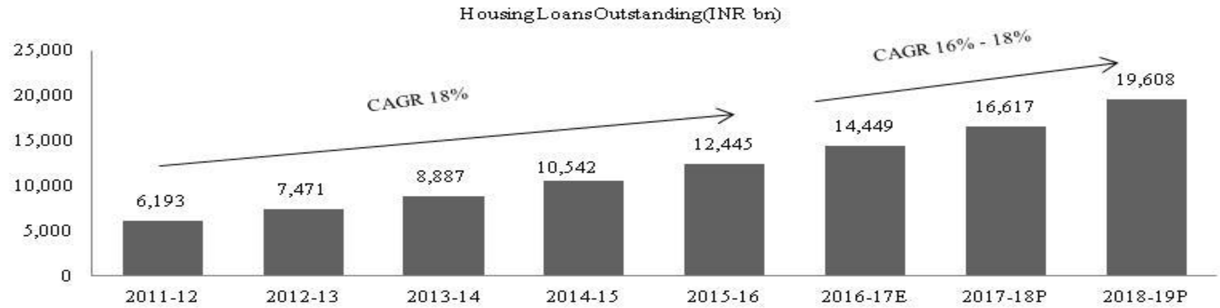
Mortgage penetration (% of GDP)



Note: India data for FY16, Other countries data for CY15
(Source: CRISIL Research – HFC Report)
The mortgage penetration in India is estimated to be 9-11 years behind the regional emerging markets e.g. China, Thailand etc. (Source: CRISIL Research – HFC Report)

Housing Finance Companies

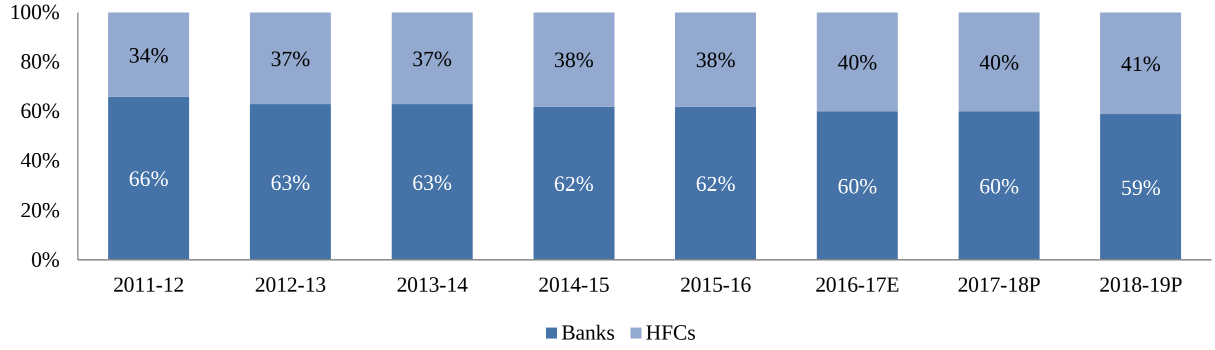
Housing loans outstanding grew at 18% CAGR from fiscal 2011 to 2017, supported by higher government support, lower interest rates and easing inflation. Also, rising urbanisation, nuclearisation of families and increase in number of affordable-housing projects speeded loan growth.



(Source: CRISIL Research – HFC Report)

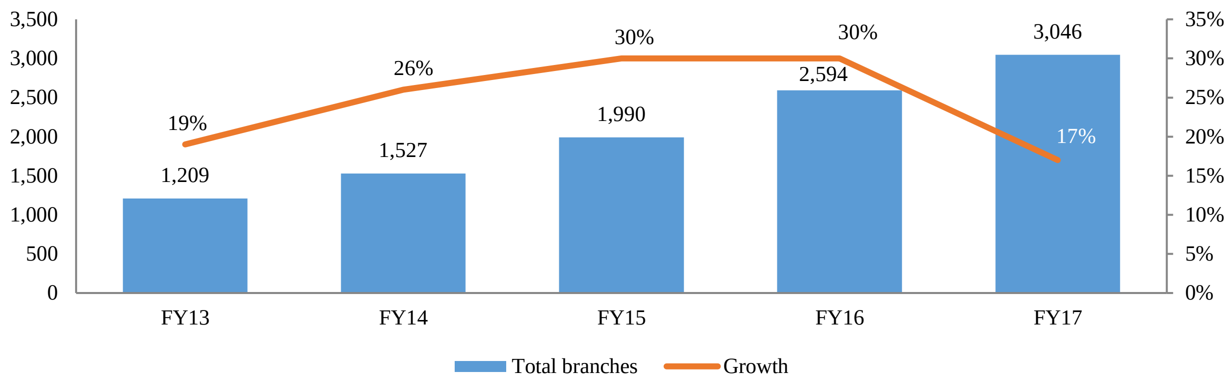
The housing loan finance market is catered to by banks and HFCs. Banks currently have the lion's share of loan assets (60% as of 2016-17), due to their extensive network, broad customer base and access to stable low-cost funds.
However, share of HFCs has increased steadily from 26% in 2008-09 to 40% in 2016-17. HFCs are able to garner share because of their strong origination skills, focused approach, capacity to create a niche in catering to a particular category of customers, relatively superior customer service and diverse channels of sourcing the business.
Both banks and HFCs offer mortgage loans. Banks currently have a lion's share in loan assets (60% as of 2016-17). However, share of HFCs has increased steadily from 34% to 40% over past five years, mainly supported by their sharper focus on loan against property (LAP) and developer loan segment. Going forward, as HFCs are likely to get more aggressive, their share is likely to expand in long term.

HFCs' share increasing gradually



Note: Includes the overall port folio of HFC and only housing loans and developer loans of banks.
(Source: CRISIL Research – HFC Report)

The branch network of HFCs has grown at a CAGR of 26% over the last 4 years. CRISIL expects this growth to continue over the next two years as new players enter the market, and existing ones expand their geographical presence across the country. Though players are equally focusing on the digital channel, branch presence gives them an identity in that particular geography.



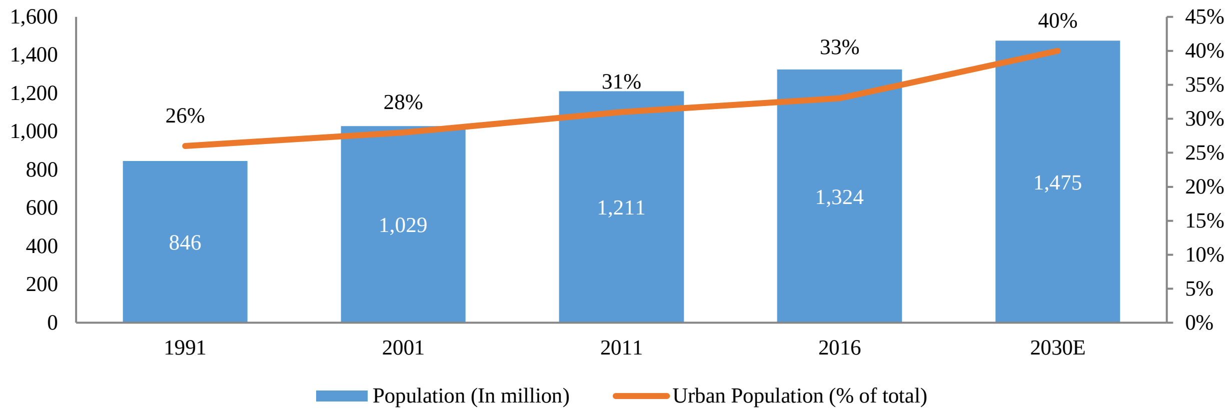
Note: Branch expansion data includes data for 11 housing finance companies for all years (DHFL, HDFC Ltd, Indiabulls, GICHF, Canfin Homes, Aptus Value, Gruh Finance, HDBFS, Aadhar Housing, Aspire and Magma Housing)
(Source: NHB, RBI, CRISIL Research)

Key Growth Drivers for Housing Finance Industry

Population Growth, Increasing Urbanisation and Favourable Demographics

In the current decade, India's population is expected to grow at 1.1%. Any increase in population directly impacts the demand for housing units. The number of householders is likely to increase as well with the change in age mix, growing number of nuclear families, increasing urbanisation and penetration of financing.

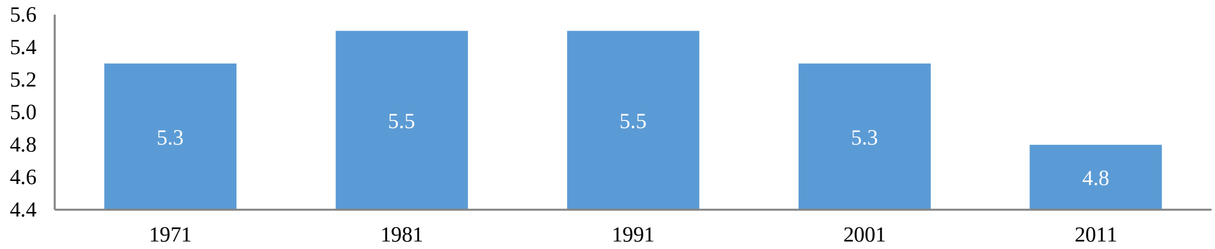
CRISIL expects urbanisation to accelerate, driven the factors such as the large number of employment opportunities created by IT/ITeS companies in urban areas, which has led to the migration of the younger workforce. The proportion of urban population to reach ~40% in CY2030. Urbanisation has a twin impact on housing demand. On the one hand, it reduces the area per household, and on the other, there is a rise in the number of nuclear families, leading to the formation of more households.



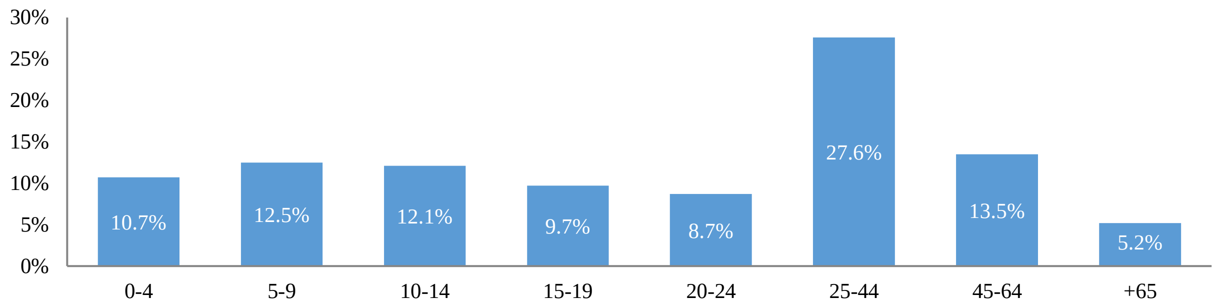
(Source: CRISIL Research – HFC Report; NHB, Report on Trend and Progress of Housing in India, 2014)

In addition, the trend of the reduction in household size and the corresponding increase in nuclear families is driving the demand for housing units as well as detailed in the figure below.

Avg. Household Size



According to the Census data 2011, ~43% of the population is in the age group of 5yrs – 24yrs which will drive the increase in workforce and the rise in demand for housing units in future.



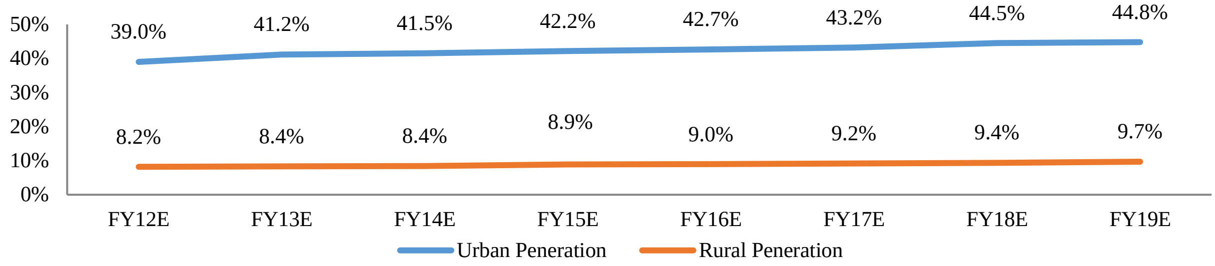
(Source: Census Data, 2011)

Increasing Finance Penetration

An increase in the finance penetration is expected to support the industry's growth. The increasing demand for housing units from tier-II and tier-III cities, and a subsequent surge in the construction activity, has increased the focus of financiers on these geographies. Consequently, finance penetration in urban areas is estimated to have increased to ~43% in fiscal 2017, from ~39% in fiscal 2012, while penetration in rural areas is estimated to have risen only slightly.

However, even in urban areas, the self-employed population is not catered to by several HFCs. The finance penetration is expected to increase gradually from these levels, driven by the thrust on affordable housing improved data availability, and rising competition. Moreover, CRISIL Research expects rural areas to witness considerable improvement in finance penetration, led by the government's efforts to provide housing for all.

Finance penetration in rural and urban areas



(Source: CRISIL Research – HFC Report)

Government and Regulatory Initiatives for Affordable Housing

Pradhan Mantri Awas Yojana (PMAY): Housing for all by 2022

The push by the Government of India to provide 'Housing for All' by 2022 will boost sales of affordable, low-cost housing units and consequently, their financing. Under PMAY, the government plans to target construction of 20 million houses across India by 2022. The implementation of PMAY is expected to boost sales of affordable, low-cost housing units and their financing.

The key features of PMAY as divided into four components as detailed below:

Slum Redevelopment	Affordable Housing in Partnership
- Land as a resource with private participation - GOI grant of ₹ 1 lakh per house - Developers to benefit from free sale component - Extra floor space index (FSI)/floor area ratio and transfer of development rights	- With private sector or public-sector agencies - Central assistance of ₹ 1.5 lakh per economically weaker section (EWS) houses in projects where the project has at least 250 houses and 35% of houses eligible for EWS category Affordable -
Affordable housing through credit linked subsidy	**Subsidy for beneficiary – led housing**
- The government has implemented the credit-linked subsidy scheme (CLSS) under 'Housing for All' mission as a demand-side intervention to expand institutional credit flow to meet housing requirements of people residing in urban regions.	- For individuals of EWS category for own house construction or enhancement - Credit assistance of ₹ 1.5 lakh per beneficiary

Under the mission, affordable housing through Credit-Linked Subsidy Scheme (CLSS) will be implemented through banks or financial institutions.

The subsidy will be provided on home loans availed of by eligible urban population for acquisition and construction of houses with Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) being the central nodal agencies to direct this subsidy to the lending institutions and monitor the progress of this component.

The details of the CLSS are below:

Category	Annual Household Income (₹)	Loan Amount (₹)	Interest Subsidy	Size of the Proposed House (sq.m – carpet area)
EWS	Up to 300,000	600,000	6.50%	30
LIG	300,000 – 600,000	600,000	6.50%	60
MIG 1	600,000 – 1,200,000	900,000	4.00%	120
MIG 2	1,200,000 – 1,800,000	1,200,000	3.00%	150

(Source: CRISIL Research – HFC Report)

Infra status to affordable-housing companies

The Government granted infrastructure status to affordable-housing sector, which implies lower financing costs for the same.

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

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

Limit raised for Priority sector lending credit and affordable housing

To promote the affordable housing segment, the Reserve Bank of India (RBI) has revised the risk weightage criteria for lenders and reduced it to even below 50% for low ticket housing loans. This will help in the conservation of capital and increase lending to the smaller-ticket home loan segment.

Real Estate (Regulatory & Development) Act, 2016 (RERA)

The Government has implemented the Real Estate (Regulatory & Development) Act, 2016 to protect the interests of home buyers while boosting the investments in real estate sector. While RERA will have a short term negative impact on the sector given it will drive developers to complete existing projects, it will streamline the structure, improve discipline and transparency in the real estate sector in the long term.

SEBI Prudential limits in sector exposure for Housing Finance Companies (HFCs)

SEBI has allowed Debt Mutual Funds to invest in AA and above rated HFCs up to 40% exposure limit against 25% for other sectors.
(Source: CRISIL Research – HFC Report)

100% Tax benefit on profit to affordable housing project Builder / Developers and Service Tax Exemption

With a view to incentivise affordable housing sector as a part of larger objective of 'Housing for All', the Government has provided a 100% deduction of the profits of a Company developing and building affordable housing projects. In addition, it has also provided a service tax exemption on the construction of affordable housing.

Housing Finance Companies – Characteristics

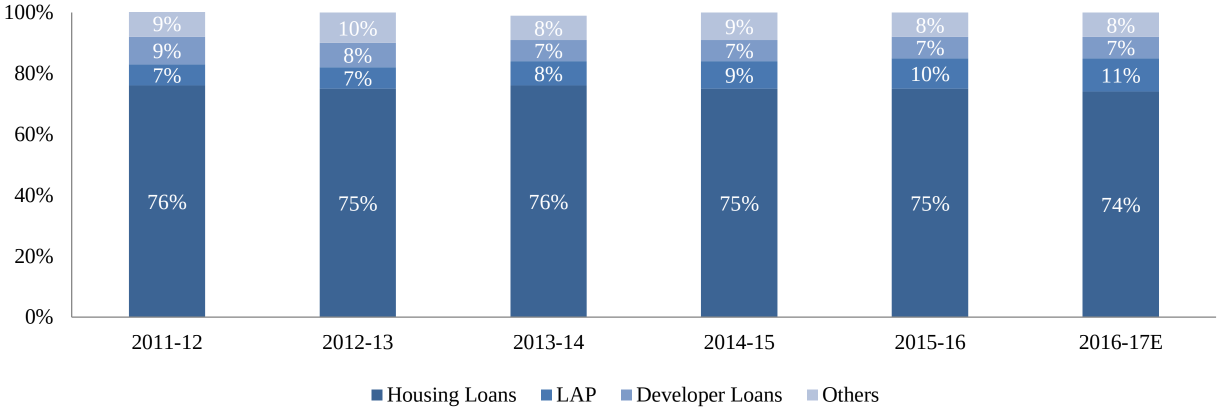
By Product Segments

Generally, HFCs' housing loans can be categorized into two segments: housing loans and non- housing loans.

Housing loans represent housing loans to individuals, which is the focus of HFCs whereas Non- housing loans include construction finance, corporate loans, loan against movable property (LAP) and lease rental discounting.

CRISIL Research estimates that HFCs' total loan outstanding (housing loans, LAPs, developer loans and others) increased 19% on-year to ₹7.7 trillion in 2016-17. LAP and developer loan increased faster, their share widening to ~11% and 8% respectively in 2016-17. In contrast, between fiscal 2011 and 2015, financiers had become cautious in lending to this segment, because of slowdown and rising delinquency in builders' portfolios. Further, in fiscal 2018, share of developer loans in HFCs' portfolio is likely to increase as banks are reluctant to lend owing to higher delinquency in the past. Share of retail loans declined by ~200 bps in last six fiscals

Aadhar Housing Finance Ltd



(Source: CRISIL Research – HFC Report)

By Purpose

Among the housing loans portfolio in the year 2013-2014, approximately 74% of the loans were for constructing or buying new houses, 2% were for upgrades and repairs of existing houses, and the remaining 24% were for acquisition of old or existing houses (resale transactions).

The data demonstrates that new assets creation was the main activity financed by housing loans disbursed by HFCs.

The following table sets out the disbursements of housing loans by HFCs, by purposes of the housing loans, for the year 2012-2013 and the year 2013-2014:

Purposes	2013 (in bn)	% to Total	2014 (in bn)	% to Total
New houses	670.7	72.4%	767.0	73.7%
Upgrades and repairs	21.8	2.4%	24.0	2.3%
Old/existing houses	233.3	25.2%	249.5	24.0%
Total	**925.8**	**100.0%**	**1,040.6**	**100.0%**

(Source: NHB, Report on Trend and Progress of Housing in India 2014)

By Ticket Size and Income of Borrowers

The Indian Housing Finance market can be split into 3 categories on the basis of the ticket size as described below:

	Ticket size (>INR2.5mn)	Ticket size (INR1-2.5mn)	Ticket size (<INR1.0mn)
Key players	All large banks, HFCs - HDFC, PNBHF, and Indiabulls	PSU banks, private banks, HFCs, CanFin Home Finance, Repco, GIC HFL, Magma and DHFL	Co-operative banks, regional banks, HFCs - Gruh, Mahindra Rural, Mas RHFL and DHFL Vysya, Aspire Home Finance Corporation Limited
Markets/ Customers *	Concentrated in urban/metro cities. Mostly salaried customers and HNIs	Urban towns, semi-urban (Tier II & III) towns & satellite towns around large cities. Both salaried and self-employed customers	Semi-urban (Tier II & III) and rural towns. Mostly farmers and small traders.
Average yields *	8.55-10.50%	9.50-11.50%	10.5-14.0%
Average LTV *	65%-75%	60-65%	50-60%
Pricing competition *	Very competitive market with rates as low as base rate.	Relatively lower competition, as compared to prime mortgage market.	Limited competition, as it has been an ignored segment
Competitive advantage *	Low cost of funds and operating efficiency	Better underwriting ability, competitive cost of funds	Better underwriting ability, higher operating efficiency and NHB funding support

(Source: CRISIL Research - Affordable Housing Finance Report)
** means the information recorded in respective section is typically based on the basis of key players.*

The following table sets out the breakdown of small ticket size loans by size of loans and by monthly income of borrowers in the year 2013-2014:

Size of Loan	Income < ₹ 5,000 per month		Income ₹ 5,000 to 10,000 per month		Income > ₹ 10,000 per month		Total	
	Amount (₹ mn)	% to Total	Amount (₹ mn)	% to Total	Amount (₹ mn)	% to Total	Amount (₹ mn)	% to Total
Up to ₹ 3mn	80	80%	1,790	86.5%	9,040	34.8%	10,920	38.8%
₹ 3mn – ₹ 5mn	20	20%	280	13.5%	16,960	65.2%	17,250	61.2%
Total	**100**	**100.0%**	**2,070**	**100.0%**	**26,000**	**100.0%**	**28,170**	**100.0%**

(Source: NHB, Report on Trend and Progress of Housing in India 2014)

Low cost Housing Segment

Low-cost housing in India refers to housing for economically weaker sections (EWS) and lower income group (LIG) households. ***CRISIL Research defines low-cost housing as a housing market within a ticket size of less than ₹1 million.***

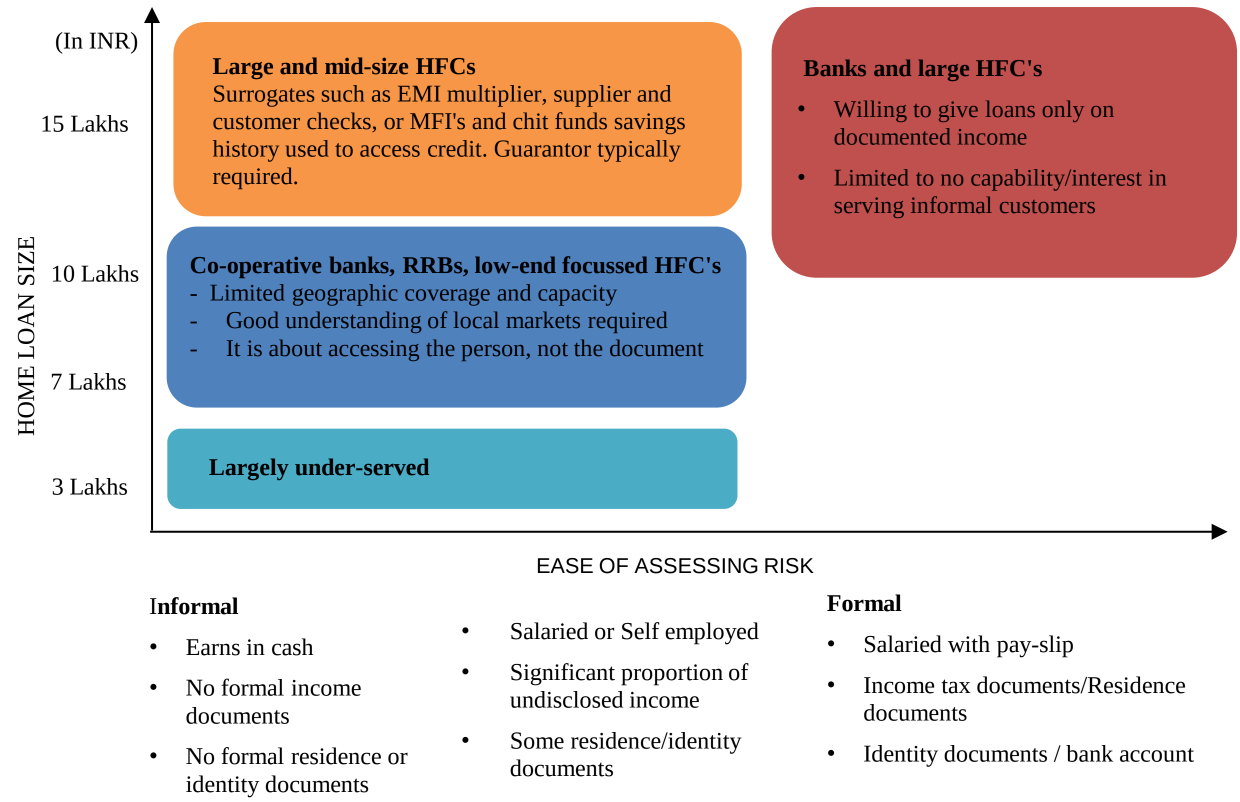
State of the market: Increasing presence of financiers

There is enormous unmet demand for low-cost housing finance options for low-income households. The supply of low-cost housing finance is constrained mainly by the inability of banks to accurately assess credit risk associated with low-income borrowers, including high delinquincies, uneven payback patterns and lack of land titles; as well as lower profit margins and uncertainty of repossession involved in lending to this segment. With smaller ticket sizes and lower lending volumes, the high cost of serving this segment further constrains lending.

While the mortgage-to-GDP ratio in India is already miniscule, mortgage penetration in low-income housing is even smaller. Due to the burgeoning traditional mortgage finance market, a few commercial banks have entered the low-income housing market. These banks tend to offer long-term mortgage loans, which extend to twenty years and require down payment of between 10% and 30% of the home value, pay slips, and legal title to property.

Despite strong growth in the overall housing finance market and the increasing average ticket size of home loans, the number of housing finance companies (HFCs) serving financially excluded, lower-income informal customers has also increased.

Low-cost housing finance is constrained mainly by the inability of banks to accurately access credit risk associated with low-income borrowers and lower profit margins, lack of land titles and uncertainty of repossession. Below are the key areas of different financiers, based on target customers.



Source: CRISIL Research - Affordable Housing Finance Report

Customer risk: Assessing the person, not the document

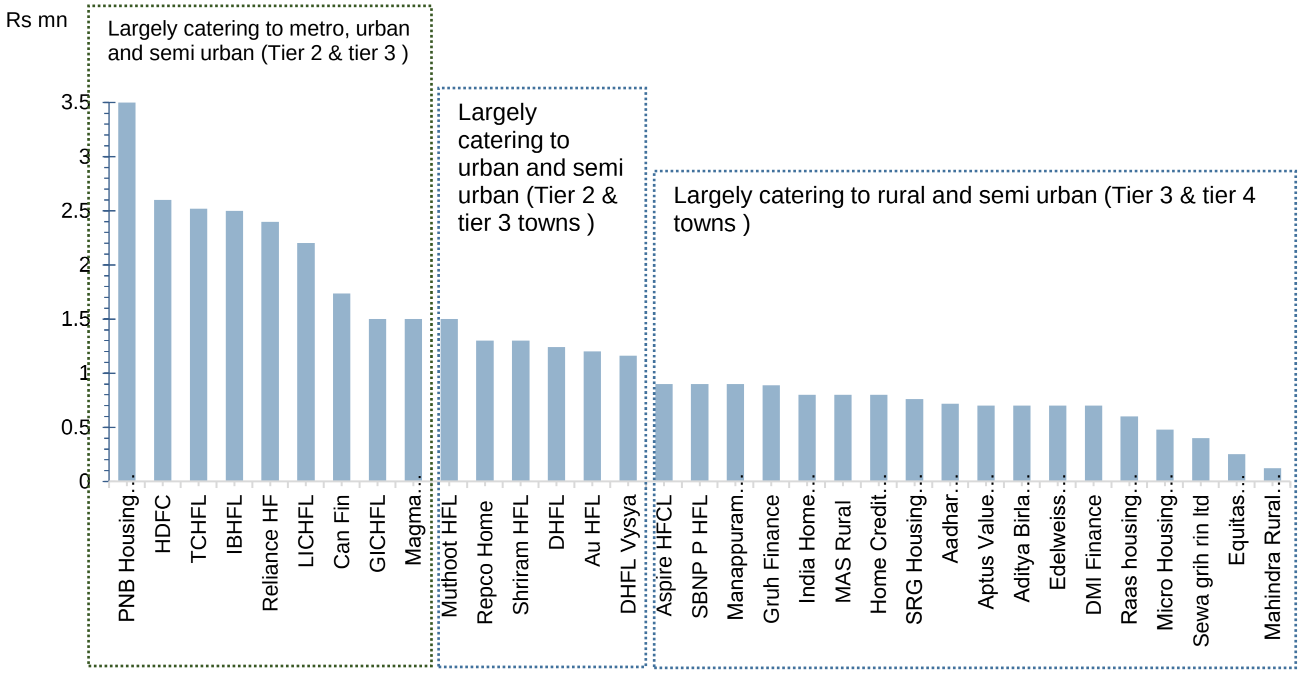
HFCs are aware of the challenges in serving low-income customers, and, the informal sector in particular. There are fundamental differences as compared to traditional housing finance as this income group rarely has proof of income and expenditure documents that conventional mortgage lenders rely on to assess credit. Thus, evaluating these customers requires more of a field-based approach to verify cash flow – using surrogates and building up knowledge about customer sub-segments to increase assessment reliability. The person, and not just documents, helps in identifying credit quality.

Risk assessment procedure

Understanding a customer's stability	• Visit borrower's home to understand current situation, stability and duration of stay • Interview neighbours to verify duration, understand habits, etc. • Check credit and banking history (if applicable)
Understand a customer's source of Income	• Visit the applicant's business to observe daily business flows, estimate revenues and costs • Understand the business model and its key strength and weaknesses, fluctuations in cash flow, risks etc. • Talk to business acquaintances, competitors etc to benchmark estimates
Standardisation	• Build a database of informal sector customers' income by profession in different localities to increase assessment reliability

Source: CRISIL Research - Affordable Housing Finance Report

Average ticket size of housing loans for HFCs clearly shows differentiation in product segment targeted (March 2017)



Source: Company reports, CRISIL Estimates
For ticket sizes > Rs 2.5 million, cost of funding is the key differentiator, and for ticket sizes < Rs 1.0 million, the ability to assess credit and contain operating costs is the key differentiator.

Low cost housing segment to grow at 18-19% CAGR in FY17 to FY19

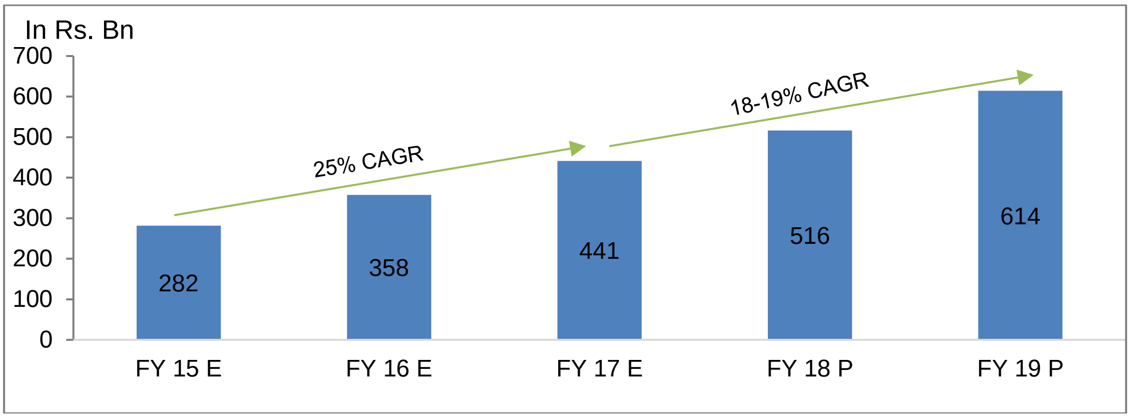
HFCs are able to garner marketshare in the low-cost housing finance segment due to their strong origination skills, focused approach, creation of niches in catering to particular categories of customers, relatively superior customer service and diverse channels of business sourcing. These factors will help them capture market share in the future as banks have become risk averse and are focussing on high ticket customers with good credit profiles.

By virtue of being largely present in metros and urban areas, ticket sizes of banks and large HFCs have followed rising property prices. A focus on the urban salaried segment by banks and large HFCs has left non-salaried as well as Tier III, and rural market open to anyone with the capability to operate in that segment.

This segment is typically characterised by low-ticket sizes and irregular cash flows. Additionally, borrowers in this segment would not normally be able to avail of financing from larger HFCs and banks due to lack of formal income proofs. Therefore, apart from resorting to formal risk mitigation measures such as restricting loan-to-value, financiers also rely on unconventional appraisal mechanisms such as visiting a borrower’s residence to ascertain his/her income and expenditure patterns, hold discussions with neighbours, and use proxy surrogates to confirm his/her income.

The low-cost housing market grew by 23% on-year in 2016-17, as compared to the 27% growth registered in 2015-16. CRISIL Research expects the overall low-cost housing segment market to grow at 17% on-year in 2017-18. The implementation of the Real Estate (Regulatory & Development) Act or RERA has had a short-term negative impact on the industry, and remains a key factor influencing growth. Sluggish demand, coupled with the implementation of RERA forcing developers to realign their business models, has resulted in fewer new unit launches. Furthermore, we expect growth in the segment to revive in the coming years at 18-19% CAGR from 2016-17 to 2018-19. However, over the long term growth is expected to be strong due to huge latent demand in the economy for low cost houses and government support.

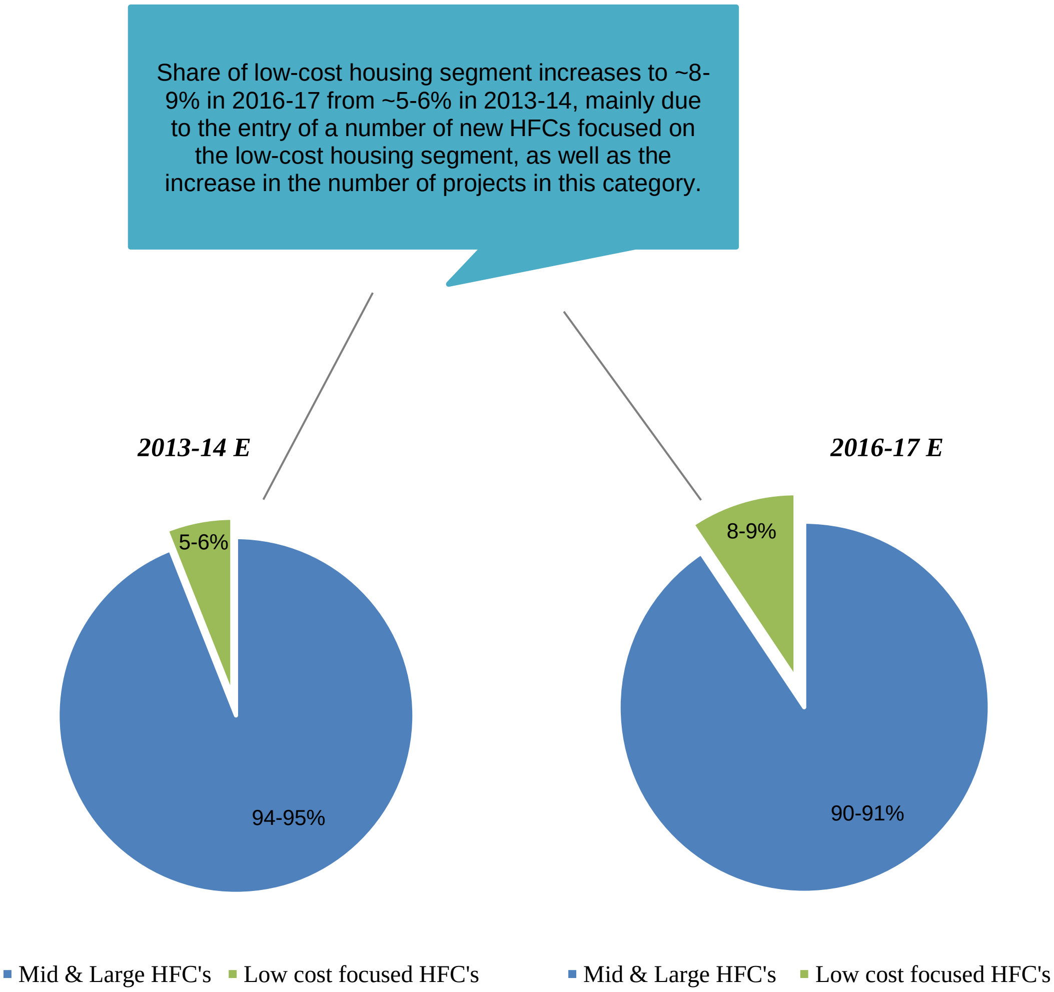
Overall loan portfolio of small HFCs to grow 18-19% CAGR in FY17 to FY19



Note: Aggregate outstanding include 23 small HFCs with average ticket size of <= Rs 1.0 million
Source: NHB, Company Report, CRISIL Research Estimates

There are multiple incentives for the salaried segment to borrow from niche HFCs at slightly higher rates, including quick turnaround time, relaxation of certain criteria, better product customisation etc.

Share of low-cost housing loans in overall housing loan outstanding by HFCs in 2013-14 and 2016-17



Note: The above share of low-cost segment is based on our estimates which includes 23 HFCs with ticket size <1 million.
Source: NHB, Company reports, CRISIL Research

Key growth drivers for low-cost housing finance

Government initiatives	Regulator initiatives	Other factors
1- Pradhan Mantri Awas Yojana (PMAY) - Credit Linked Subsidy Scheme (CLSS) 2- RERA to boost growth in low cost segment. 3- Public Private Partnership (PPP) model	1- Revision of interest spread caps on rural and urban housing fund. 2- NHB refinancing to aid borrowing cost of HFC's 3- Lowering of risk weights in resedential property 4- Grant of SARFAESI license to HFC's .	1- Increasing historical trends in GNPAs of PSBs in low cost segment is key deterrent. 2- Digitisation

Source – CRISIL Research

Pradhan Mantri Awas Yojana: Housing for all by 2022

The recent push by the government to provide 'Housing for All' by 2022 and its implementation are expected to boost sales of affordable, low-cost housing units and consequently, their financing.

Four components of the scheme

Slum redevelopment

1-Land as a resource with private participation

2-GOI grant of Rs. 1 lakh per house

3-Developers to benefit from free sale component

4- Extra floor space index (FSI)/floor area ratio and transfer of development rights

Affordable housing in partnership

1- With private sector or public sector agencies

2- Central assistance of Rs. 1.5 Lakh per economically weaker sections (EWS) houses in projects where the project has atleast 250 houses and 35% of houses eligible for EWS category

Affordable housing through credit linked subsidy

Subsidary for beneficiary-led housing

1- For individuals of EWS category for own house construction or enhancement

2- Credit assistance of Rs 1.5 lakh per beneficiary

Source: PMAY website, CRISIL Research

The centre has implemented the credit-linked subsidy component under the 'Housing for All' mission as a demand-side intervention, to expand institutional credit flow to the housing needs of people residing in urban regions

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

Credit-linked subsidy will be provided on home loans availed of by an eligible urban population, for acquisition and construction of houses

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

Credit-linked subsidy scheme (CLSS)

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

Credit-linked subsidy will be provided on home loans availed of by an eligible urban population for acquisition and construction of houses

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

Details of the revised CLSS

Category	Annual household income (₹)	Loan amount (₹)	Interest subsidy	Size of the proposed house (carpet area, sq m)
EWS	Up to 3 lakh	6 lakh	6.50%	30
LIG	3-6 lakh	6 lakh	6.50%	60
MIG 1	6-12 lakh	9 lakh	4%	120*
MIG 2	12-18 lakh	12 lakh	3%	150*

Note: (*) as per government notification of November 16, 2017
Source: PMAY website, CRISIL Research

For all the income slabs, any additional loan taken by the beneficiary up to a maximum tenure of 20 years will be at non-subsidised rates

The interest subsidy amount will not be the differential of interest amount (of actual and subsided rate), but the net present value (NPV) of the interest subsidy amount - to be calculated at a discount rate of 9%.

Keeping no maximum loan limit, increasing the subsidised loan amount to Rs 12 lakh, salary slab to Rs 18 lakh and repayment tenor to 20 years will ease the EMI burden and get more people under the ambit of this scheme.

The subsidy benefit decreases materially as the loan amount increases –

- EWS category home seekers to benefit the most as relative saving (with regards to aspirational property value) is the highest for them

- The extension of benefit to MIG may not prove materially beneficial on account of higher aspiration property cost against the saving (CLSS benefit) of Rs 2.3 lakh.

- For example, in the case of Bengaluru, typically, there is good demand (from middle income households) for projects with ticket sizes between Rs 60 lakh and Rs 80 lakh. Here, CLSS benefit of Rs 2.3 lakh will not materially impact the demand situation (benefit of 3-4%). The scenario is similar in other cities and worse in prime micro-markets.

A 60 sq m carpet area is close to 100 sq m of built-up area as the difference between them is nearly 30-50%. In sq ft, 100 sq m is nearly 1,000 sq ft, which could be the equivalent of a 2 bedroom hall kitchen (BHK) in many locations. The move to increase the size of apartments called affordable homes will enhance developer interest in this segment and eventually make housing more accessible to people living in urban areas.

RERA to boost low cost housing projects in medium to long term

Enacted in 2016, the Real Estate (Regulatory & Development) Act was brought into force on May 1, 2017. It was introduced to protect the interests of home buyers and boost investments in the real estate sector.
However, RERA is likely to have a short-term negative impact on the industry as it has forced developers to focus on completing existing projects. This, coupled with sluggish demand, has resulted in fewer new launches. The Indian real estate sector is also facing a slowdown in sales of high-end residential units, with the government's demonetisation move compounding the pain.

Over the medium to long term, though, RERA is expected to increase transparency and accountability among developers, which will enhance buyers' trust and confidence, particularly at a time when the government has embarked on its ambitious 'Housing for All 2022' mission.

As per government data, as of March 2017, 82,048 houses have been constructed under PMAY. To achieve the target of constructing 20 million houses across India by 2022, the pace of construction will therefore need to accelerate.

Awarding of infrastructure status to affordable housing will persuade more developers to enter the space, as they will now enjoy easier access to institutional credit, which will reduce their cost of borrowing. Further, inclusion of middle income group households, whose income ranges from Rs 6 lakh to Rs 18 lakh per annum, under the Credit-Linked Interest Subsidy Scheme (CLSS) will lead to a surge in loan disbursements.

NHB refinancing to aid borrowing cost for HFCs catering to affordable housing segment

While access to debt markets allows large HFCs to mobilise resources at competitive rates, niche HFCs have benefited from the National Housing Bank's (NHB) refinance schemes. NHB runs various schemes under which it re-finances banks and HFCs.

Refinance schemes launched by NHB

	Liberalised refinance schemes	**Golden Jubilee Rural Housing**	**Rural Housing Fund**	**Energy efficient housing scheme**	**Special refinance for urban low income housing**
Launch date	2002	1998	2008	2011	2012
Objective	To provide refinance assistance with respect of housing loans extended by HFCs for: (1) construction / purchase of dwelling units, (2) repairs / renovation / upgradation of dwelling units	Flagship scheme of NHB to refinance rural housing	Encourage housing to weaker sections; funds allocated from RIDF	Promote use of solar equipment in homes	Increasing credit flow to low income housing in urban areas
Loan size	Any concessional rates to loans below Rs 0.5 mn	Less than Rs 1.5 mn	Less than Rs 1.5 mn	Up to Rs 50,000	Less than Rs 1 mn
Location	Rural or urban	Rural*	Rural*	Urban	Urban
Tenure	1-15 years	1-15 years	3-7years	1-15 years	5-15yrs
Interest rate	Floating or fixed	Floating or fixed	Interest rate - 6.12% p.a. On lending cap - 9.62% p.a.	Fixed	Fixed
Ultimate borrowers	Any	Any	Weaker sections	Any (efficiency certificate needed)	Annual income less Rs 0.2 mn

	Refinance scheme for installation of solar water heating and solar lightening equipment in homes	**Credit Risk guarantee fund scheme for low income housing**	**Refinance Scheme for Women (Women)**	**Urban Housing Fund (UHF)**	**Deen Dayal Antyodaya Yojana -National urban Livelihoods Mission (NULM)**
Launch date	2012	2012	2013	2013	2013
Objective	Provide refinance assistance in respect of loans extended by HFCs for: (1) Purchase and installation of	Under this scheme, the Credit Risk Guarantee Fund Trust (CRGFT) will provide credit risk guarantee to lending institutions against	Encouraging women to acquire residential property in their own	To mitigate housing shortage in urban areas, particularly among lower income segment	Focus on organising urban poor in strong grassroot level institutions, creating opportunities for skill development

	Refinance scheme for installation of solar water heating and solar lightening equipment in homes	**Credit Risk guarantee fund scheme for low income housing**	**Refinance Scheme for Women (Women)**	**Urban Housing Fund (UHF)**	**Deen Dayal Antyodaya Yojana -National urban Livelihoods Mission (NULM)**
	solar water heating systems, (2) Purchase and installation of solar lighting system	their housing loans up to 5 lakh	name, thereby enabling their empowerment		leading to market-based employment and helping them to set up self-employment ventures by ensuring easy access to credit
Loan size	Up to 50,000	less than ₹ 0.5 mn	Less than ₹ 2.5 mn	Less than ₹ 1 mn	
Location	Rural / urban	Urban	Urban	Urban	Urban
Tenure	3-7 years		1-15 years	3-7 years	
Interest rate	Fixed	Fixed Guarantee ; may change from time to time as decided by trust	Floating or fixed rate	Interest rate# - 6.87% p.a. On lending cap - 10.37% p.a.	
Ultimate borrowers		Granted to all borrowers in EWS/LIG category in urban areas without requiring any collateral security or third party guarantee	Women	Annual income less than Rs 0.4 mn	

**Rural area is defined as any village, including the area comprised in any town, the population of which did not exceed 50,000, as per the 1991 Census. Source: NHB*

 # - The interest rate and on-lending rate is applicable to the balance of Rs 0.14 crore under UHF.

Note - For credit risk guarantee fund scheme for low income housing – Up to 2 lakh or such amount as decided by the trust from time-to-time -- 90% of the amount in default, subject to ceiling of 90% of the sanctioned housing loan amount. Above 2 lakh and up to 5 lakh or such amount decided by the trust from time-to-time -- 85% of the amount in default, subject to ceiling of 85% of the loan sanctioned housing loan amount

Source: NHB

NHB's revision of interest-spread cap for the Rural Housing Fund

For 2017-18, NHB has allocated Rs 6,000 crore under Rural Housing Fund (RHF) and Rs 3,000 crore under Urban Housing Fund (UHF). Also, NHB revised the interest rate and on-lending cap under RHF in 2017-18. CRISIL Research believes the on-lending cap of 3.5% is better, as the previous 2% cap made financing unattractive because of higher operating cost incurred to serve rural areas.

Revised interest rates and on-lending caps

Fund	**Primary lending institutions**	**Interest rate (per annum)**	**On lending cap (per annum)**
Rural Housing Fund	Housing finance companies and Regional rural banks	4.86%	8.36%
	Schedule commercial banks	4.86%	MCLR + 1%
Urban Housing Fund	Housing finance companies and Regional rural banks	4.86%	8.36%
	Schedule commercial banks	4.86%	MCLR + 1%

Limit raised for Priority sector lending credit and affordable housing

Over the last six months, the government has announced several regulatory changes that demonstrate its commitment towards the sector. To promote the affordable housing segment, the Reserve Bank of India (RBI) has revised the risk weightage criteria for lenders and reduced it to even below 50% for low ticket housing loans. This will help conserve capital and result in more lending to the smaller-ticket home loan segment.

Grant of SARFAESI license to HFCs would help minimize losses

Access to the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI) means that HFCs do not have to seek recourse through the tedious and time-consuming conventional legal route. This allows HFCs to lend more freely and permits them to increase their exposure to the affordable informal sector customers, who are mostly situated in small towns where legal action is costly and time-consuming. Further, SARFAESI will act as a deterrent to defaulters.

Other regulatory incentives include:

- Viability gap funding

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

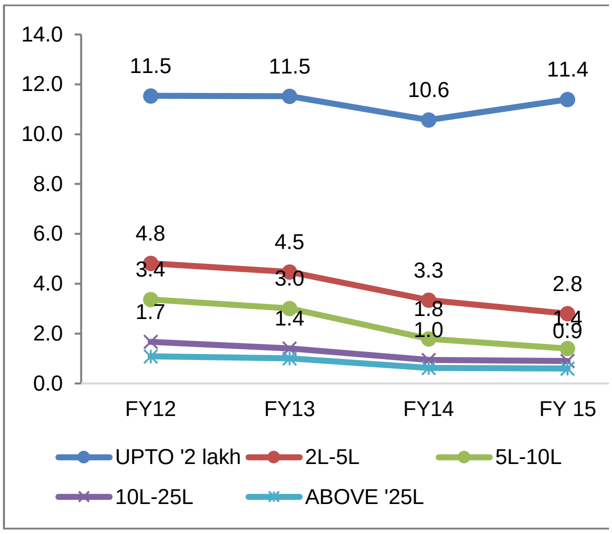
- Long-term projects in infrastructure sub-sectors

- Affordable housing

Increasing historical trends in GNPAs of PSBs in low cost segment is key deterrent
The asset quality of public sector banks (PSBs) in the lower ticket size segment are at elevated levels. Banks are reluctant to lend to rural and semi-urban areas mainly because of their higher GNPAs. It is evident that to be successful in this segment, strong local knowledge is crucial. For that, HFCs are employing staff from the local geography who understand the cultural dynamics.

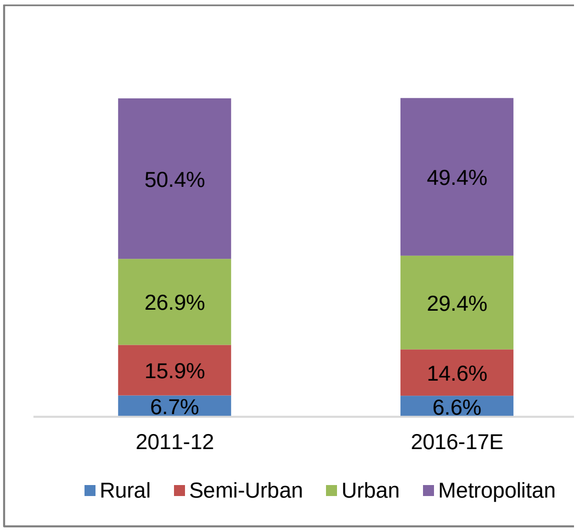
Banks (especially PSBs) followed a different strategy to save on operating cost, but it led to higher GNPAs.

GNPAs of PSBs based on ticket size



Source: CRISIL Research, NHB, RBI

Housing loan disbursement by PSBs



Source: CRISIL Research, NHB, RBI

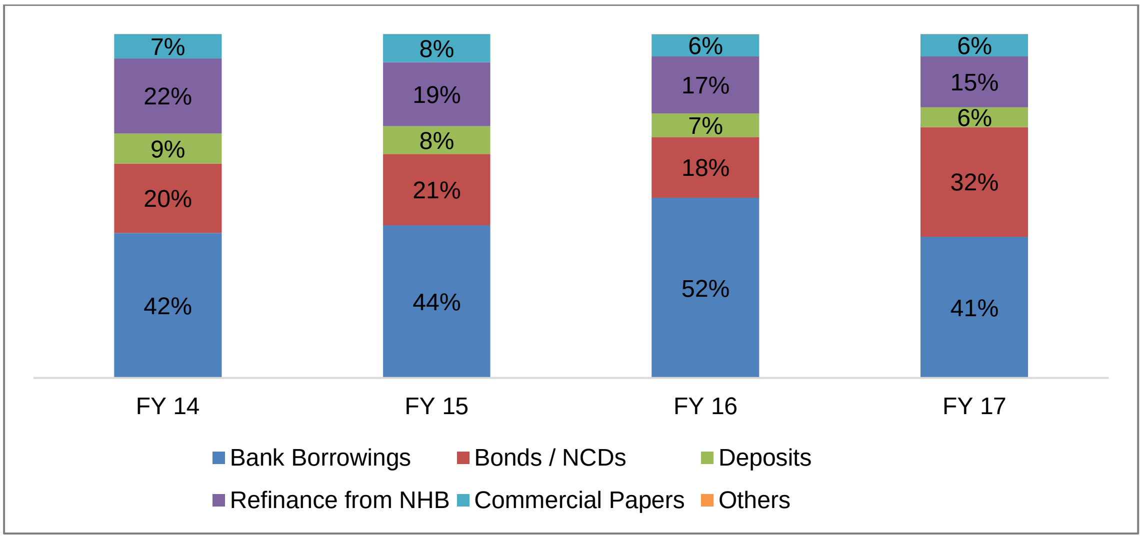
CRISIL Research expects banks to be more cautious in lending in rural areas, but believes that they will increase their footprint in semi-urban and peripheral urban areas as the distress in their corporate loan book increases.

Digitization

There is a visible shift in demand from affluent, younger, convenience-seeking customers, which makes the need of technology more important for HFCs. Most HFCs are adopting technological tools to enhance their market reach. Technological advancements such as central repository of customers, can help HFCs widen their reach and offer the best deals.

Borrowing mix

Significant increase in borrowings from bonds/NCDs in 2016-17



Note: Aggregate include financials of Aadhar Housing Finance Limited, Akme Star Housing Finance Limited, Aptus Value Housing Finance India Limited, DHFL Vysya Housing Finance Limited, Edelweiss Housing Finance Limited, Gruh Finance Limited, IND Bank Housing Limited, India Home Loans Limited, India Infoline Housing Finance Limited, Magma Housing Finance, Mahindra Rural Housing Finance Limited, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, Sahara Housing Finance Corporation Limited, Shriram Housing Finance Limited, SRG Housing Finance Limited, and Sundaram BNP Paribas Home Finance Limited.
Source: CRISIL Research - Affordable Housing Finance Report

With banks tightening lending norms due to rising bad loans and competing with HFCs, most HFCs are now raising money through bonds. The proportion of borrowings from bonds/NCDs-to-overall borrowings increased to 32% in 2016-17 from 18% the previous fiscal.

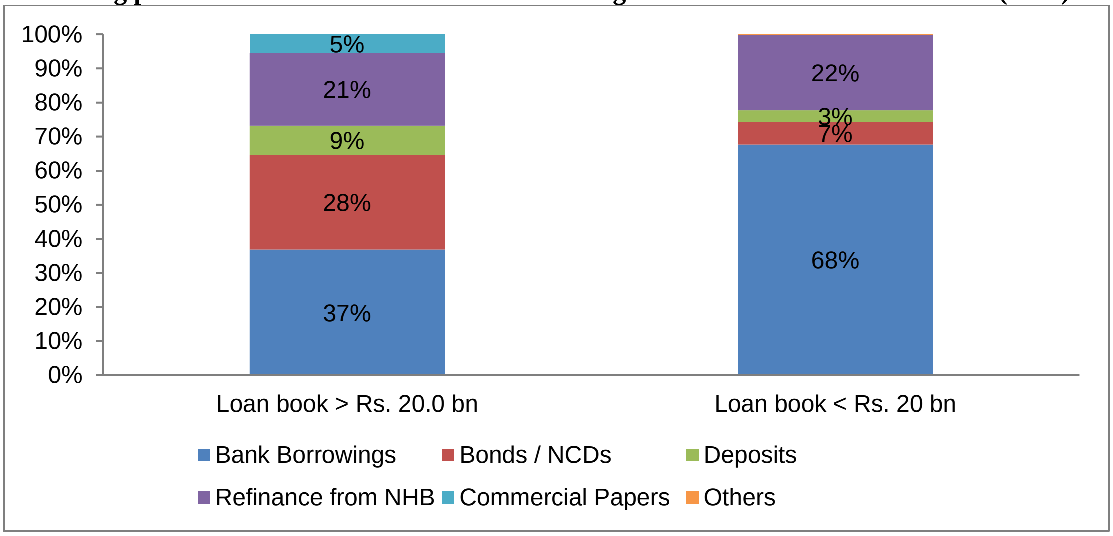
Small-size HFCs traditionally rely on commercial banks and NHB for their borrowings. NHB runs various schemes under which it re-finances banks and HFCs. Most of these schemes are formulated to encourage lending in semi-urban and rural areas, and in periphery of urban areas where ticket sizes are low. Given the design of the schemes, small-size HFCs have been disproportionate beneficiaries of low-cost funds released by NHB. Also, these funds help reduce asset-liability mismatches on their balance sheets, and eventually reduce their cost of borrowings.

Over the past few years, the government's focus on affordable housing and rural housing has raised the budgetary support for NHB. We believe this will continue, given the housing shortage and slow progress in rural housing, thereby boosting the prospects of HFCs focused on affordable and low-cost housing.

Within small HFCs, the set can be divided into: HFCs with loan book >Rs 20 billion, and HFCs with loan book <Rs 20 billion.

Some HFCs are backed by larger ones or big financial institutions (FIs) and enjoy goodwill of their parent companies, in the form of cheaper source of funds.

Borrowing profile of low cost HFCs with loan book higher and lower than Rs 20 billion (2017)



Note: Loan book > Rs 20 bn, aggregate include financials of Gruh Finance Ltd, Mahindra Rural Housing Finance Limited, India Infoline Housing Finance Limited, Sundaram BNP Paribas Home Finance Limited, and Aadhar Housing Finance Limited.
Source: CRISIL Research - Affordable Housing Finance Report

One of the similarities to note is that all HFCs with loan book of >Rs 20 billion are backed by larger HFCs/FIs. Hence, with better parent support, the borrowings of large HFC-backed small companies are more skewed towards the bond market (~28% of overall borrowings) as they are able to access funds easily and at better rates. HFCs with loan book of < Rs 20 billion rely relatively less on the bond market (~7% of overall borrowings) and more on banks.

NHB refinances under various schemes like Rural Housing Fund and Golden Jubilee Rural Housing Finance Scheme. As the government and NHB are taking proactive steps to help bottom-of-the-pyramid segment, we expect NHB's contribution to remain significant in the near term.

Also, there are some key reasons for higher proportion of bank lending (to low-cost HFCs) in this segment. Housing finance is among the safest in retail assets, with relatively low delinquency rates. Also, investments in low-income housing segment qualify as priority sector loans for banks. Over the years, disbursements of funds by banks to low-income and affordable housing finance segments (loans to low-cost HFCs) have been increasing, indicating growing interest in the space.

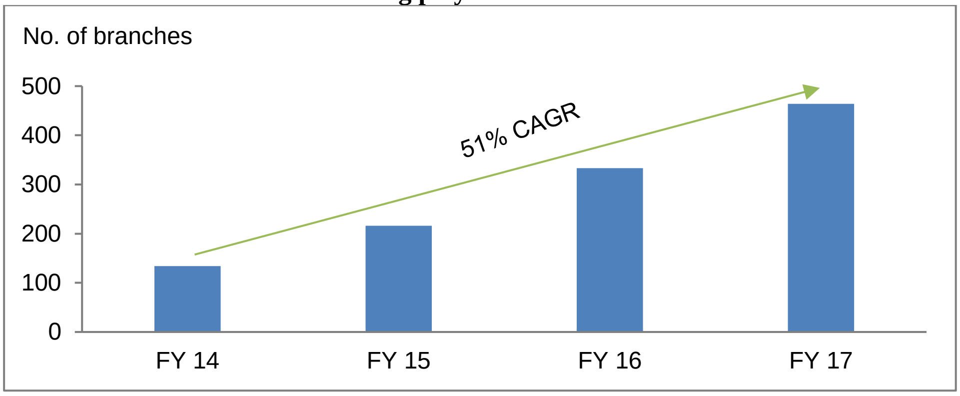
Higher operating cost capped profitability of low cost housing segment

Return on assets (RoA) in the low cost housing segment (< Rs 1 million) was 1.5-1.6% in 2016-17, on account of high processing, verification and servicing costs, as well as high credit losses due to lower property appreciation in the rural and urban outskirts and bargaining power of the buyer. During 2017-18 and 2018-19, CRISIL Research expects the RoA in the low-cost segment to be between 1.4% and 1.5%, respectively.

Increasing branch network of low cost HFCs

HFCs focused on the low-cost segment increased their branches network at ~51% CAGR from 2013-14 to 2016-17. With players expanding their footprint into tier II and III cities, where scope of low cost segment is rising, their total operating expense has risen.

Branch network of low cost housing players



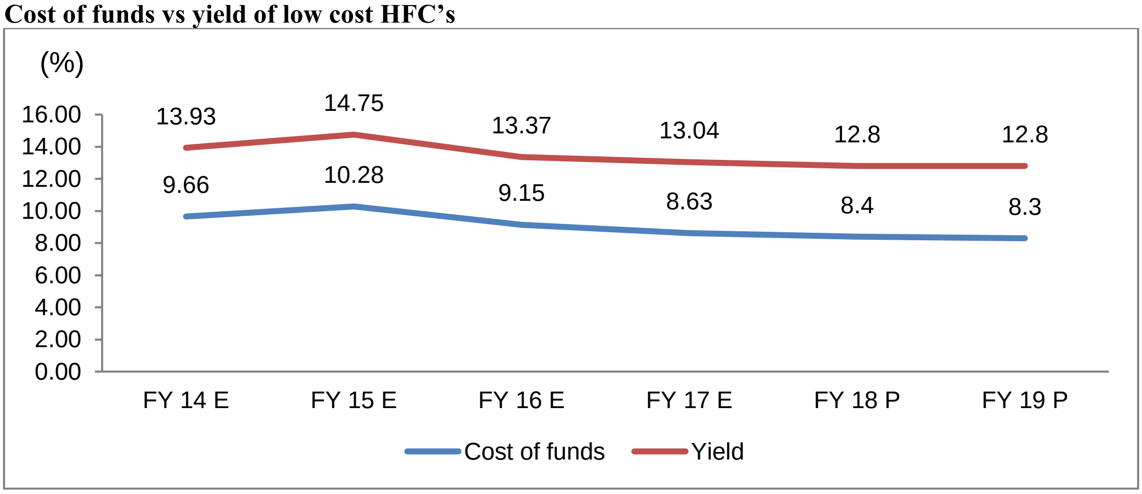
Note: Aggregate includes data of nine HFCs in low cost segment.
Source: Company reports, CRISIL Research

Profitability analysis of low-cost housing finance companies

(percent)	2013-14E	2014-15E	2015-16E	2016-17E	2017-18P	2018-19P
Net Interest Margin	4.3	4.4	4.2	4.4	4.5	4.5
Opex	1.6	1.6	1.6	1.8	1.9	1.9
Credit Cost	0.4	0.5	0.4	0.5	0.5	0.6
Tax	0.7	0.8	0.7	0.7	0.7	0.7
Post tax RoA	1.6	1.7	1.7	1.5	1.5	1.4

**Net Interest Margin = (Interest Income – Interest Expenses) / Average of total assets*
E: Estimated; P: Projected
Note: Aggregate includes financials of Aadhar Housing Finance Limited, Akme Star Housing Finance Limited, DHFL Vysya Housing Finance Limited, Gruh Finance Ltd, India Home Loans Limited, Mahindra Rural Housing Finance Limited, Manipal Housing Finance Syndicate Limited, Micro Housing Finance Corporation Limited, Sahara Housing Finance Corporation Limited, SRG Housing Finance Ltd, Sundaram BNP Paribas Home Finance Limited
Source: CRISIL Research - Affordable Housing Finance Report

Cost of funds vs yield of low cost HFC's



E: Estimated; P: Projected
Note: Aggregate includes financials of Aadhar Housing Finance Limited, Akme Star Housing Finance Limited, DHFL Vysya Housing Finance Limited, Gruh Finance Ltd, India Home Loans Limited, Mahindra Rural Housing Finance Limited, Manipal Housing Finance Syndicate Limited, Micro Housing Finance Corporation Limited, Sahara Housing Finance Corporation Limited, SRG Housing Finance Ltd, and Sundaram BNP Paribas Home Finance Limited.
Source: CRISIL Research - Affordable Housing Finance Report

In the < Rs 1 million loan bracket, the overall cost of fund is higher compared with large and mid-sized HFCs due to weak credit rating and lack of access to the bond market. However, a significant portion of the funding from NHB refinance, which is relatively cheaper than other financing avenues, reduces the overall cost of borrowing.

Here, it is important to evaluate the profitability of HFCs with loan book of > Rs 20 billion, because these large HFCs/FIs-backed companies have the advantage of low-cost borrowings, which enables them to enjoy a wider net spread.

Profitability of low cost HFCs with loan book > Rs 20 bn vs loan book < Rs 20 bn (2017 E)

(percent) 2016-17	Loan book > ₹ 20.0 bn	Loan book < ₹ 20.0 bn
Net Interest Margin	4.3	4.0
Opex	1.8	2.5
Credit Cost	0.5	0.3
Tax	0.7	0.4
Post tax RoA	1.3	0.8

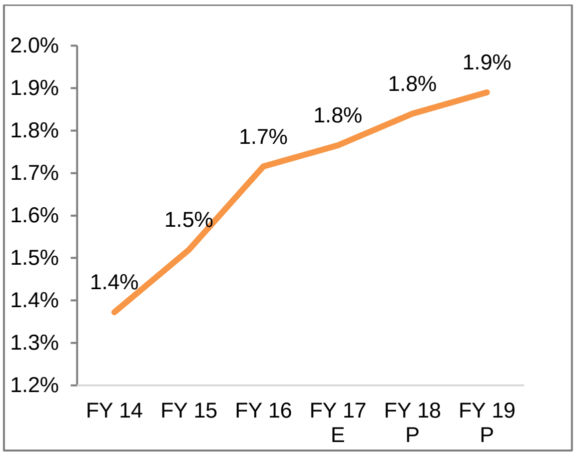
E: Estimated
** Net interest margin = (Interest income – Interest expenses) / Average total assets*
Note: Large HFCs backed aggregate include financials of Aadhar Housing Finance Limited, Gruh Finance Limited, Mahindra Rural Housing Finance Limited, India Infoline Housing Finance Limited and Sundaram BNP Paribas Home Finance Limited
Source: CRISIL Research - Affordable Housing Finance Report

GNPAs to remain high in low cost housing segment

Due to higher concentration of low ticket-focused HFCs in semi-urban and rural areas – where the cash inflow of borrowers is highly irregular and depends largely on macro factors such as the monsoon, etc, and credit history of borrowers is not available – these HFCs are exposed to higher geographical concentration risk. To mitigate risk they charge higher yield and also use different/unique assessment strategies.

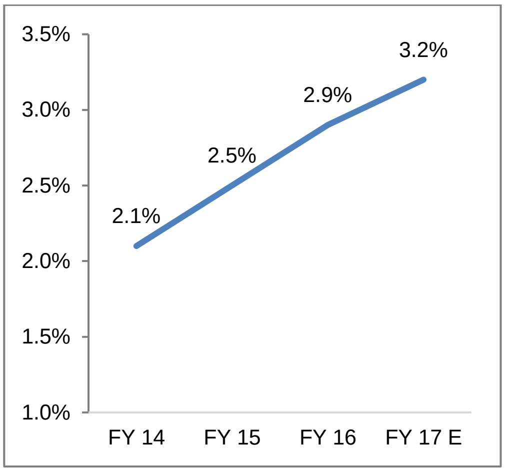
For the next two years, CRISIL Research expects overall GNPAs of these companies to remain high due to low seasoning of portfolios of rapidly growing HFCs, many of which are focused on self-employed customers, Hence, this could increase delinquencies in the segment.

GNPA trend



E: Estimated; P: Projected
Note: GNPA include 25 HFCs with ticket size less than Rs 1 million
Source: CRISIL Research, Company report

Two-year lagged GNPA



E: Estimated; P: Projected
Note: GNPA include 25 HFCs with ticket size less than Rs 1 million
Source: CRISIL Research, Company report

Key Risks

Poaching of regular customers by banks

One of the biggest risks to low-cost players is the threat from banks, as banks have details of borrowers' banking behaviour and their repayment history. Banks can poach these customers by offering lower interest rates (compared to small HFCs) and zero processing fee. In doing so, banks save operating cost and get customers with good credit history. Hence, HFCs have to be able to devise ways to enjoy long-term cash flows.

Collateral frauds

Collateral fraud in the sector is becoming a serious issue. As a result, lending institutions are being forced to implement additional control measures, which increases their underwriting expenses.

Less than Rs 1 million ticket size has highest risk

In rural and semi-urban (tier III and IV) regions, the median cost of a house is Rs 0.5-1.0 million, with smaller saleable area and lower property prices. Also, against the backdrop of unknown risks associated with the profile of the customers, financiers extend a lower loan-to-value (LTV) to this segment as compared to their formal, salaried counterparts. The LTV is typically 45-55%, hence disbursements are lower, which is an opportunity loss for financers.

HFCs catering to low-cost housing segment have funding disadvantage

Most small HFCs are at a disadvantage vis-à-vis large banks and large HFCs such as HDFC and LIC Housing Finance with regards to cost of funds due to the mix of funding (mid-size and small HFCs are more bank-funded) and higher cost (as credit ratings are lower). However, securitisation and NHB funding could help to a certain extent.

Delay in project approvals and construction

Cash flows of HFCs are largely dependent on timely completion of the project in which its customers have bought apartments. If the project is delayed, the borrower could start defaulting on loans. Additionally, project delays tend to impact the growth of the loan book.

Lack of proper property title

Lack of proper property title is a risk, especially on the outskirts of large cities, semi-urban and rural areas. With better availability of information and proper due diligence by the technical team, HFCs are actively mitigating this risk.

Liquidity risk

The apartment culture has still not caught on in many semi-urban and rural areas, hence financing is more for individual standalone properties. This makes it harder to sell a property that is built according to the needs of the borrower. Also, in rural areas, due to cultural issues, it may become difficult to find a buyer of a repossessed property. This leads to liquidity risk.
₹

Insufficient data for credit appraisal

Credit score availability in India is still at a nascent stage, despite the presence of credit bureaus. In several cases, borrowers lack formal proof of income document. This makes it challenging to judge the ability of the borrower to repay.

Employee attrition

As the market is growing faster and new players are emerging in the housing finance space, the risk of existing employees switching to another company is increasing. CRISIL Research believes this risk is especially pertinent in sales roles in affordable housing finance segment.

Economic scenario

The financial performance of an HFC depends on overall macroeconomic factors, such as GDP growth, economic cycle and health of the securities markets. Any trend or event that has a significant impact on the India's economy, including rising interest rates, could impact the financial standing and growth plans of HFCs, and lead to a slowdown in business.

OUR BUSINESS

Unless stated otherwise, the financial information included in this chapter is as per our Audited Financial Statements prepared in accordance with Indian GAAP set forth elsewhere in this Draft Shelf Prospectus.

The following information should be read together with the more detailed financial and other information included in this Draft Shelf Prospectus, including the information contained in the chapter "*Risk Factors*" and "*Industry*".

Overview

We are a deposit taking housing finance company registered with the NHB and focused on providing affordable housing financing products for the EWS and LIG segment in India, in tier 2 to tier 4 cities and towns, to diverse customer groups with focus on salaried (both formal and informal) and self-employed (business and professional in formal and informal segments) home buyers. As on March 31, 2018, 38.92% of our portfolio falls under EWS segment, 42.92% under LIG segment and 18.16% segment under MIG. Salaried customers comprise 70.49%, 71.52% and 67.70% of our assets under management as at March 31, 2016, March 31, 2017 and March 31, 2018, respectively.

We offer Housing Loans i.e. secured finance primarily to salaried and self-employed individuals for the purchase of plots, construction, improvement and extension of homes, new and resalable flats secured against mortgage of the same property, and project finance for residential buildings to developers. Housing Loan comprises 92.46%, 90.93% and 82.19% of our AUM, i.e. ₹ 135,847 lakhs, ₹ 164,577 lakhs and ₹ 654,689 lakhs, as at March 31, 2016, March 31, 2017 and March 31, 2018, respectively. Our average ticket size and incremental ticket size for Housing Loans portfolio is ₹ 8.22 Lakhs and ₹ 8.99 lakhs, respectively, with an average tenure of loans being, approximately 16 years. For details regarding various products offered and the maximum ticket size and tenure see "- *Our Products and Services*" on page 92.

We also provide Other Property Loans including loan against property ("**LAP**") to salaried or self-employed professionally qualified individuals and others, against mortgage of property of the borrower and insurance component of Housing Loans. Non Housing Loans comprise 7.54%, 9.07% and 17.81% of our AUM, i.e. ₹ 11,073 lakhs, ₹ 16,422 lakhs and ₹ 141,896 lakhs, as at March 31, 2016, March 31, 2017 and March 31, 2018, respectively.

We have a robust marketing and distribution network, with a presence across 272 branches across 20 states and union territories, comprising of 160 main branches, two small branches, 62 micro branches, 48 ultra micro branches, one Corporate office and one registered office, as of March 31, 2018. As per the Report of Technical Group (TG-12) on Estimation of Urban Housing Shortage 2012, Ministry of Housing & Urban Poverty Alleviation, 95.74% of the total housing shortage is estimated in these states. Our branches aim at providing a fast and seamless customer experience with emphasis on a single window interface for the customer. Our distribution network includes direct selling teams i.e. teams that are employed with Aadhar Sales and Services Private Limited and are working with us pursuant to a contract with Aadhar Sales and Services Private Limited ("**Direct Sales Team**") and other business referral partners. We also distribute life insurance and general insurance products for our group entity DHFL Pramerica Life Insurance Company Limited and DHFL General Insurance Limited.

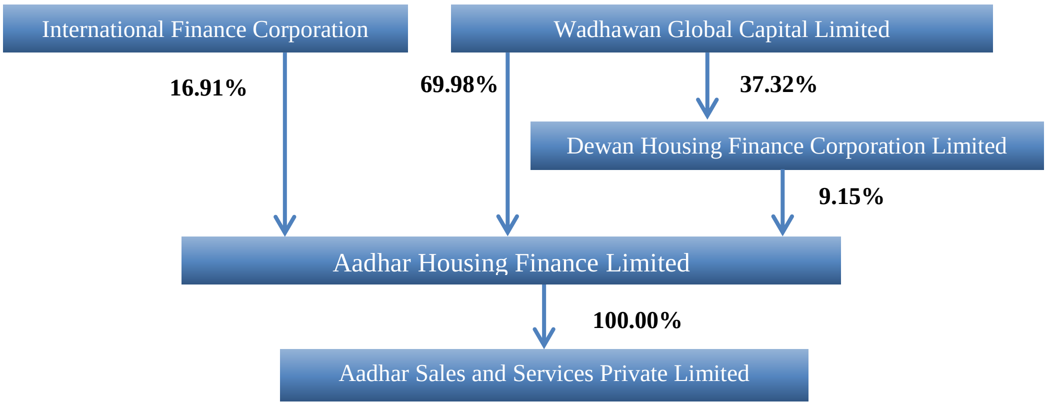
Our Company was incorporated as "Vysya Bank Housing Finance Limited" and it commenced its operation from November 27, 1990. In the year 2003, Dewan Housing Finance Corporation Limited acquired our Company from ING Vysya Limited and our Company was renamed as DHFL Vysya Housing Finance Limited. In the Fiscal 2018, the erstwhile Aadhar Housing Finance Limited, a company promoted by Dewan Housing Finance Corporation Limited with strategic investment by International Finance Corporation ("**IFC**"), merged with our Company on November 20, 2017 (i.e. the effective date for the Merger) and w.e.f. April 1, 2016 (the Appointed Date for the merger). Pursuant to the merger, our Company was renamed as Aadhar Housing Finance Limited on December 4, 2017.

We are part of the WGC Group and our promoter is Wadhawan Global Capital Limited ("**WGCL**"). WGCL serves various financial needs of consumers through investments in businesses involved in lending, investments, protection and strategic investments. WGCL's subsidiaries and associate entities have leadership presence across services from housing loans, education loans, mutual funds and asset management to life & general insurance including DHFL, Avanse Financial Services Limited, DHFL Pramerica Asset Managers Private Limited, DHFL General Insurance Company Limited and DHFL Pramerica Life Insurance Limited.

As at March 31, 2016, March 31, 2017 and March 31, 2018, our loan book stood at ₹ 146,919 lakh, ₹ 180,999 lakh and ₹ 735,270 lakh, respectively and our assets under management were ₹ 146,919 lakh, ₹180,999 lakh and ₹ 796,585 lakh, respectively. As at March 31, 2016, March 31, 2017 and March 31, 2018 our gross NPAs as a percentage of our loan book was 1.26%, 1.55% and 1.17%, respectively and our net NPAs as a percentage of our loan book (net of NPA provision) was 0.89%, 1.11% and 0.78%, respectively.

For the Fiscals 2016, 2017 and 2018, our total revenue from operations was ₹ 19,281 lakh, ₹ 21,198 lakh and ₹ 79,806 lakh, respectively on a standalone basis and ₹ 80,719 lakh for the Fiscal 2018 on a consolidated basis. Our profit after tax for the Fiscals 2016, 2017 and 2018 was ₹ 2,672 lakh, ₹ 2,321 lakh and ₹ 9,973 lakh, respectively on a standalone basis and ₹ 9,962 lakh for the Fiscal 2018 on a consolidated basis. Our revenue from operations and profit after tax on a standalone basis grew at a CAGR of 103.45% and 93.19%, respectively over the last three Fiscals.

Set out below is the structure chart of our Group as at the date of this Draft Shelf Prospectus



Key Strengths

Track record in providing affordable housing while maintaining a healthy asset quality

Our Company was incorporated in November 1990 as Vysya Bank Housing Finance Limited and has a track record of servicing customers in the lower-middle-income segment with an average ticket size of less than ₹ 10 lakh. Further, erstwhile Aadhar Housing Finance Limited, which merged with our Company in 2017, was incorporated in 2010 with strategic investment by IFC to finance home purchases to the EWS and LIG segments. With the merger of erstwhile Aadhar Housing Finance Limited into our Company, we now have significant track record in providing affordable housing in both northern and southern states of India.

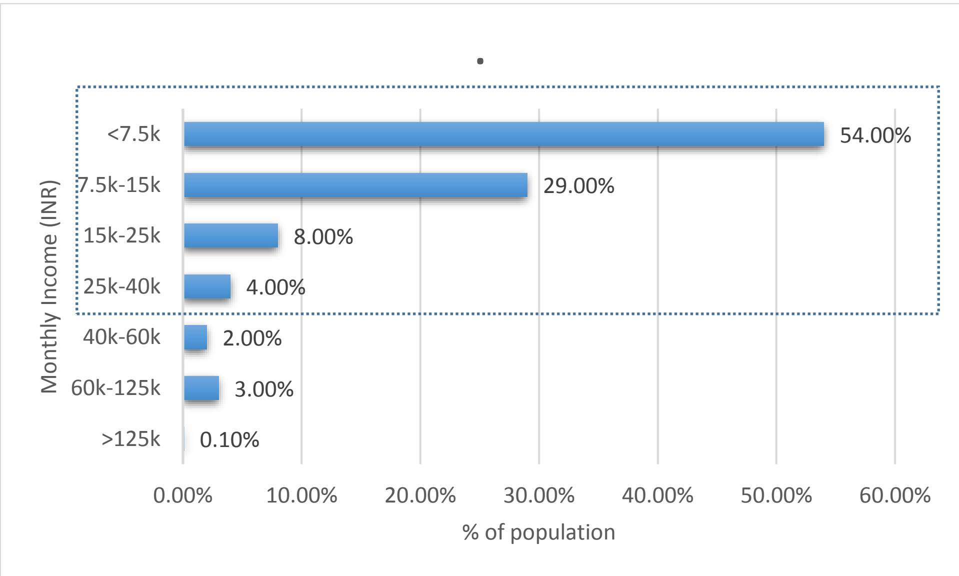
Our Company has developed a robust risk management framework covering all types of risks incidental to its business. Our Company recognizes the importance of identifying and controlling risks and ensuring that required internal controls and procedures have been established by adopting a structured approach to identify current and future potential risks to organization. Risk Management Committee of the Board has the overall responsibility to monitor and manage enterprise-wide risk. The primary risk to our business i.e. 'Credit Risk' is managed through a well-defined product policy programs reviewed annually or as and when the market condition changes and there is a need to re-align the product guidelines. Our Company endeavours to maintain quality loan portfolios by targeting a particular segment of the larger market and having a comprehensive risk assessment process and diligent risk remediation procedures. Our Company places emphasis on risk management measures to ensure an appropriate balance between risk and return and have taken steps to implement robust and comprehensive policies and procedures to identify, measure, monitor and manage risk.

Being a housing finance company, the operations of our Company are regulated by the NHB. Our Company is presently required by the NHB under the NHB Regulations to maintain a minimum capital adequacy ratio consisting of Tier-I and Tier-II capital which shall not be less than 12% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. In addition, under Section 29C of the NHB Act, our Company is required to create a reserve fund and transfer to such fund an amount of not less than 20% of its net profits every year as disclosed in the profit and loss account and before any dividend is declared. The NHB also requires us to make provisions in respect of NPAs. Our capital adequacy ratio as at March 31, 2016, 2017 and 2018 was 23.12%, 19.37% and 18.76%, respectively. Our gross NPAs as a percentage of outstanding loans(net of NPA provisions) were 1.26%, 1.55% and 1.17% as at March 31, 2016, 2017 and 2018, respectively. Our net NPAs as a percentage of outstanding loans were 0.89%, 1.11% and 0.78% as at March 31, 2016, 2017 and 2018, respectively. Further, as at March 31, 2016, March 31, 2017 and March 31, 2018, the gross NPA for retail loans as a percentage of our Retail AUM was 0.78%, 1.04%, and 0.58%).

Strong growth opportunity backed by Central Government initiative of Housing for all

The housing finance industry in India is growing rapidly and is served by multiple institutions that cater to people in diverse geographies and across income spreads. An increase in finance penetration is expected to support the industry's growth. Rising demand for housing from tier 2 to tier 4 cities and towns, and a subsequent surge in construction activity, have contributed to an increase in finance penetration in urban areas from an estimated 41.2% in 2012-13 to 43.2% in 2016-17. Housing loans outstanding grew at 18% CAGR from fiscal 2011 to 2017, supported by higher government support, lower interest rates and easing inflation. Also, rising urbanisation, nuclearisation of families and increase in number of affordable-housing projects speeded loan growth. (*Source: CRISIL Reports*) Finally, the push by the government to provide 'Housing for All' by 2022 via the 'Pradhan Mantri Awas Yojana' scheme and its implementation may boost sales of affordable, low cost housing units and, consequently, their financing. (*Source: CRISIL Reports*)

We target the EWS and LIG segment of the Indian population. As per CRISIL Reports, there is enormous unmet demand for low-cost housing finance options for low-income households. By virtue of being largely present in metros and urban areas, ticket sizes of banks and large housing finance company have followed rising property prices. A focus on the urban salaried segment by banks and large HFCs has left non-salaried as well as Tier 3 and rural market open to anyone with the capability to operate in that segment. Having been present in this segment for over two decades, we believe we are well placed to capitalise on the growth expected in these segments.



Source: NHB trends in Housing | CRISIL Infra Report | Monitors Research

We believe that these segments present significant potential as the GoI has turned its focus towards inclusive growth to extend the benefits of economic prosperity to the broader population, as evidenced by the abovementioned 'Housing for All' policy. We have developed credit appraisal mechanisms targeting the EWS and LIG segment of customers in tier 2 to tier 4 cities and towns, including private salaried persons, public servants, entrepreneurs, traders and other professionals both in formal and informal segments. We believe that our credit appraisal mechanisms provide us with a significant competitive advantage in the EWS and LIG segment in which the credit quality of potential customers is difficult to assess.

The four components of the 'Pradhan Mantri Awas Yojana' scheme involves slum redevelopment, affordable housing in partnership with private sectors or public-sector agencies, affordable housing through credit linked subsidies and subsidies for beneficiary-led housing. Affordable housing through credit linked subsidies is being implemented through banks and financial institutions. The scheme is intended to reduce equated money installments on homeowners by providing interest subsidies ranging between 3.00% to 6.50%, depending on the recipient's annual household income; under the scheme, there is no maximum loan limit, the maximum eligible housing loan amount for interest subsidy is ₹ 12.00 lakh, the maximum annual household income to benefit from the scheme is ₹ 18.00 lakh, and the repayment tenor is 20 years.

In addition, the GoI has introduced other regulatory incentives including viability gap funding, increased limit for priority sector lending, grant of licenses under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 to housing finance corporations to help minimize losses and encouraging lending to borrowers in small towns and the revision of interest-spread caps for the Rural Housing Fund and implementation of the Atal Mission for Rejuvenation and Urban Transformation.

Diversified funding mix with strong rating

We use a variety of funding sources to optimize funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to further achieve funding stability and liquidity. Our weighted average borrowing cost as at March 31, 2017 and March 31, 2018 was 9.15% and 8.77%, respectively. As at March 31, 2018, our sources of funding were primarily from banks and financial institutions (68.38%), non-convertible debentures (16.21%), public (fixed) deposits (1.29%), refinancing from the NHB (7.33%), commercial papers (5.07%), subordinated debt (1.33%). In future, we may diversify our resources profile by accessing funds from multilateral agencies. We aim to continue to gradually reduce our reliance on the borrowings from banks and financial institution and focus on capital market instruments, subject to compliance with conditions prescribed by the NHB from time to time.

Because of the composition of our credit portfolio, which qualifies for priority sector lending, we are one of the preferred sources in the securitization/ bilateral assignment market. We securitize/ assign a pool of certain housing and manage servicing of such loan accounts under the securitization/ assignment agreements with investors. As at March 31, 2018, the balance outstanding against the pool aggregated to ₹ 61,315 lakh, respectively.

We have received the following credit ratings for domestic fund raising:

Nature of borrowing	Rating / Outlook			
	CARE	Brickwork	ICRA	CRISIL
Short-term debt/ Commercial Paper	-	-	ICRA A1+	CRISIL A1+
Public (fixed) Deposits/ Short Term Deposits	-	-	-	FAA/Stable
Subordinated NCDs	CARE AA (SO); Stable	BWR AA+(SO) (Outlook: Stable)	-	-
Secured NCDs	CARE AA+(SO); Stable	BWR AA+(SO) (Outlook: Stable)	-	-
Long-term bank loans	CARE AA+(SO); Stable	-	-	-

These ratings indicate the highest or a very strong degree of safety regarding timely servicing of financial obligations and allow us to access debt financing at competitive rates of interest. Based on our ratings, we expect to source funding at competitive rates from the capital markets and reduce our proportion of bank financing to bring down our overall funding costs.

Strong and experienced management team

The Company has an experienced Board that oversees and guides our strategy and operations. Our Board has constituted several Board level committees including the Risk Management Committee, the Investment Committee, the Audit Committee, the Asset Liability Management Committee, the Share Transfer Committee, the Management Committee, the Stakeholders' Relationship Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee and Investment Committee for timely decision-making and to ensure effective governance. Our directors include individuals experienced in a wide range of subjects relevant to our business including banking, finance, corporate law, insurance law and real estate. Similarly, the members of our experienced management team and our employees share our common vision of excellence in execution and exhibit a diverse set of backgrounds with substantial experience including credit evaluation, technical evaluation, risk management, treasury, technology and marketing. The diversity of experience helps us adapt a creative and cross-functional approach. For further details on our Board, see the chapter "*Management*" on page 118.

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law. For details regarding our corporate policies, as approved by the board of directors of our Company please refer to http://aadharhousing.com/investor-relations/overview.php.

Wide distribution network

We have over two decades of operating experience in tier 2 to tier 4 cities and towns of India and as of March 31, 2018 we had robust presence across 20 states and union territories in India with around 272 branches comprising of 160 main branches, two small branches, 62 micro branches, 48 ultra micro branches, four regional offices at Indore, Jaipur, Chennai and Hyderabad, one Corporate office in Mumbai and one registered office in Bengaluru. We believe that we have successfully adopted a strategy of contiguous expansion across regions, which has enabled us to increase our customer base in the 20 states and union territories in India in which we operate.

Prior to the merger of erstwhile Aadhar Housing Finance Limited with our Company, which was undertaken with an intention to leverage the pan-India presence of the combined entities, our Company had its presence in the states of Maharashtra, Uttar Pradesh, Andhra Pradesh, Karnataka, Tamil Nadu, Kerala and Telangana, while erstwhile Aadhar Housing Finance Limited had operations in the states of Delhi, Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Odisha, Jharkhand, Bihar, West Bengal, Gujarat, Rajasthan, Maharashtra, Punjab, Haryana and Uttarakhand. With the merger of erstwhile Aadhar Housing Finance Limited into our Company, we have now expanded our reach to both northern and southern states. We believe that the understanding of the local characteristics of these markets and customers developed by erstwhile Aadhar Housing Finance Limited and our Company, prior to the merger, has allowed us to address the unique needs of our economically weaker, low and middle-income customers and assisted us to penetrate deeper into such markets.

The reach of our branches allows us to service our existing customers and attract new customers as a result of personal relationships cultivated through proximity and frequent interaction by our employees. Through our decentralized model, we believe we have been able to optimize turn around times for our customers while managing our credit requirements and associated risks. Our branch network is structured along a hub-and-spoke model with 160 of our branches classified as main branches and the rest 112 as small micro and ultra micro branches, as of March 31, 2018. At our main branches, we have teams for sales, credit and collections teams along with administrative personnel. Our other branches consist of sales and credit teams depending upon the market size and a basic counter for collection of monthly installments. Our teams travel to nearby locations to source potential customers and also service our existing customers in various regions, thus enabling a low-cost penetration into underserved markets. Certain administrative and other functions are centralized to allow us to benefit from economies of scale and uniformity in operations.

Business Strategy

Continued focus on affordable housing segment with customized products to attract more customers

As per CRISIL Reports there is a large underserved unorganized and informal sector, with large market potential, which due to lack of knowledge and unavailability of formal documentation has traditionally been excluded from the reach of organised financial assistance. Further, many low-income households, even if part of the formal sector, get excluded from formal housing finance on the ground that they are unable to meet the stringent criteria led down for access to funds. Our focus has always been to facilitate financial inclusion by enabling wider access to housing finance amongst the home buyers from the EWS and LIG segment of the Indian population and we have established our self as a leading housing finance company in this segment.

Further, GoI has turned its focus towards inclusive growth to extend the benefits of economic prosperity to the broader population, as evidenced by the push by the Government of India to provide 'Housing for All' by 2022 *via* the 'Pradhan Mantri Awas Yojana' scheme. Implementation of the 'Pradhan Mantri Awas Yojana' has boosted sales of affordable, low cost housing units and, consequently, their financing. We believe we have developed credit appraisal mechanisms targeting the EWS and LIG segment of customers in tier 2 to tier 4 cities and towns, including private salaried persons, public servants, entrepreneurs, traders and other professionals from both formal and informal income streams and are poised to benefit from the growth in the affordable housing segment.

Even though providing affordable housing finance to the LIG segment will continue to be our primary target, we also seek to continue to introduce, customize and cross-sell new and existing products and services. We specially design our products and services to suit the needs of target segments. We have developed a wide range of housing-related loans designed to cater to a variety of customers depending on demand and needs. In addition, in order to cater to a larger potential customer base, we offer other Property (non-housing) Loans including LAP and plot loans. We intend to continue to expand the marketing of our other Property Loans as we believe that there is significant demand in our target customer segments for such products.

Strengthen IT platform, digitize processing and optimize cost of operation

We have an integrated loan management system, which we have licenced from DHFL. Our data centre operations have been outsourced to one of the leading IT companies. Our in-house system is customized to meet the requirements for lending to the EWS and LIG segment and captures the legacy expertise that we gained pursuant to the merger of erstwhile Aadhar Housing Finance Limited with our Company. We are part of a new technology transformation program being developed by DHFL, in association with a leading IT company to support our growth, improve operational efficiency and optimize costs through the use of technology. This program is expected to establish a scalable and flexible technology landscape, improve customer centricity, enable faster decision-making through automation of certain processes and analytics and bring our technology platform to a new level. We aim to align our technology landscape to evolving business needs, which would support us in our growth targets. Under this project we plan to replace our legacy systems and business application platforms with proven commercial off-the-shelf product solutions, which provide best fit solutions to the objectives mentioned above. We will continue to assess our technology and update it according to business needs on an on-going basis. Please see "*– Information Technology*." on page 103.

We seek to reduce our operating costs as a percentage of top-line revenue through the efficient implementation and utilization of our technical resources and infrastructure. We aim to reduce our operating costs by leveraging on our existing fixed costs while simultaneously increasing our business and manpower productivity. We seek to staff the organization with individuals capable of driving this growth by enabling them with greater delegation of authority and de-centralizing our decision-making processes.

Leverage existing distribution network to expand / deepen penetration into market

Pursuant to the merger of erstwhile Aadhar Housing Finance Limited with our Company, we could leverage upon our reach in both northern and southern states where erstwhile Aadhar Housing Finance Limited and our Company had significant reach respectively. We seek to participate actively in the market through competitive offering both from the products and pricing perspective. Even though the EWS and LIG segment will continue to be our primary target markets, we seek to achieve higher growth and a diversified portfolio by providing access to our services to the broader population on selective basis. This will also help us to optimally utilize our wide distribution network in tier 2 to tier 4 cities and towns. We have developed a deep understanding of the needs of varied customers belonging to organized as well as unorganized sector of income generation for the purchase of residential dwelling units. We intend to utilise this understanding to provide tailor-made products to our customers made to suit their specific needs.

Maintaining good asset quality and risk management framework

Maintaining high asset quality is of prime focus for us, and all our products, policies and processes are designed keeping this at the centre. As we concentrate on EWS and LIG segments, in the target geographies, in urban, semi urban and statutory towns with different town and city planning bye laws, panchayat bye laws, local authority laws, different construction practices, and with competitive market conditions; credit appraisal, legal appraisal and technical appraisal of the loans is imperative for us to maintain a healthy loan portfolio. We place emphasis on risk management measures to ensure an appropriate balance between risk and return and have taken steps to implement robust and comprehensive policies and procedures to identify, measure, monitor and manage risk.

Our risk management procedure in the loan approval process begins with our sales team where we conduct initial interviews. Our credit team assesses key documents and we also conduct mandatory KYC on the customer. Depending upon profile of our potential customers, our credit team also makes additional enquiries through personal discussions with these customers, their families and neighbours, by visiting the place of their residence and work. Our legal or empanelled legal team prepares relevant loan documentation and conducts due diligence on the property while our technical or empanelled technical operations team will conduct site visits to examine the structure of property and prepare valuations. If all necessary criteria are met, the loan will be approved for disbursement or otherwise the proposal will be sent to the regional offices and head office for further evaluation. Our gross NPAs as a percentage of outstanding loans were 1.26%, 1.55% and 1.17% as at March 31, 2016, 2017 and 2018, respectively. Our net NPAs as a percentage of outstanding loans (net of NPA provision) were 0.89%, 1.11% and 0.78% as at March 31, 2016 2017 and 2018, respectively.

Prudent financial policies

We maintain conservative financial policies reflecting management's strong commitment to maintaining strong credit profile. These policies include

- ***Budgeting Policy***. For our budgeting and financial planning each year, our planning function works with each business unit to devise a budget based on the strategic directions and performance target of the Company as a whole. The budget is required to be sent to management, and Board of Directors for review and approval whenever required.

- ***Risk Policy***. We have company-wide risk guidelines implemented to control our company's various risks including interest rate mismatch risks.

- ***Credit Policy***. We have risk guidelines across the organization with risk limits implemented to control our overall credit risk, such as counterparty risk limits, single industry concentration limits and credit quality minimum requirements.

- ***Minimum Cash Balance***. We strive to maintain our liquidity ratio at sustainable levels (varying upon the development status and actual needs of the Company). In practice, we have adopted day-to-day actual monitoring of our buffer to ensure sufficient cash levels.

Key Operational and Financial Parameters for the last three Fiscals

(₹ in lakhs)

Parameters	**Aadhar Housing Finance Limited (earlier known as DHFL Vysya Housing Finance Limited)**			**Erstwhile Aadhar Housing Finance Limited**	
	As at and for Fiscal			**As at and for Fiscal**	
	2018	**2017**	**2016**	**2017**	**2016**
Net Worth	69,954	15,373	14,681	22,417	13,375
Total Debt	6,33,249	1,69,794	1,40,355	2,55,347	1,63,273
of which					
- Non-Current Maturities of Long Term Borrowing	5,10,488	1,39,536	1,11,347	1,87,077	1,28,044
- Short Term Borrowing	37,110	-	-	39,598	17,272
- Current Maturities of Long Term Borrowing	85,416	30,179	28,909	28,672	17,957
- Unclaimed Matured Deposits and Interest Accrued thereon	235	79	99	-	-
Net Fixed Assets	1,913	246	96	1,272	861
Non-Current Assets (Excluding Fixed Assets & Non-current portion of Cash & Bank Balances)	7,01,341	1,71,534	1,36,828	2,68,249	1,73,995
Cash and Bank Balances (Including Non-current portion)	19,769	8,964	10,520	17,741	10,909
Current Investments	20,483	96	-	16,350	1,950
Current Assets (Excluding Cash and Bank Balances current portion & Current Investments)	39,236	12,637	11,935	12,571	9,128
Current Liabilities (Excluding Short term borrowing, Current Maturities of Long Term Borrowing & Matured Deposits and Interest thereon)	72,046	4,835	2,199	36,167	18,950

Parameters	Aadhar Housing Finance Limited (earlier known as DHFL Vysya Housing Finance Limited)			Erstwhile Aadhar Housing Finance Limited	
	As at and for Fiscal			As at and for Fiscal	
	2018	2017	2016	2017	2016
Assets Under Management (including Securitised and Assignment Portion)	7,96,585	1,80,999	1,46,919	3,18,384	1,81,140
Off Balance Sheet Assets	61,315	-	-	40,120	-
Interest Income (Including Treasury Income)	72,242	19,941	18,091	30,792	18,477
Interest Expense	46,201	14,632	13,194	19,843	12,522
Provisioning & Write-offs	2,319	446	216	978	856
PAT	9,973	2,321	2,672	4,077	1,868
Gross NPA (%)*	1.17%	1.55%	1.26%	1.18%	0.70%
Net NPA (%)**	0.78%	1.11%	0.89%	0.80%	0.54%
Tier I Capital Adequacy Ratio (%)	16.23%	18.41%	22.13%	12.43%	14.11%
Tier II Capital Adequacy Ratio (%)	2.54%	0.96%	0.99%	5.62%	0.82%

* *Gross NPA % = Gross NPA / (Assets Under Management – Off Balance Sheet Assets)*

** *Net NPA % = (Gross NPA – NPA Provision) / (Assets Under Management – Off Balance Sheet Assets – NPA Provision)*

Gross Debt-Equity Ratio of the Company

Before the issue of debt securities	9.05
After the issue of debt securities	13.34

Our associates, joint ventures and subsidiary

As on the date of this Draft Shelf Prospectus, we had one subsidiary, Aadhar Sales and Services Private Limited.

Associate company	Fiscal Year of acquisition of shareholding by our Company	Company's shareholding
Aadhar Sales and Services Private Limited	2017	100%*

***** *including shares held by the nominee of our Company*

Our Products and Services

We are a housing finance company with a focus on providing housing finance and related products for the underserved majority, primarily through home loans provided to the EWS and LIG segment in India. We provide secured finance primarily to individuals, partnership firms and companies for the purchase, self-construction, improvement and extension of homes, new and resalable flats, commercial properties and plots. We also provide certain categories of non-housing loans.

Loan Products

We offer a range of home-related loans which we offer to a variety of customers depending on demand and needs. Generally, we determine the actual loan amount for each loan by taking into account various factors including the property value, repayment capacity, age, educational qualifications, stability and continuity of income, number of dependents, co-applicant's income, assets, liabilities and historical savings habits. Loans are generally repaid in EMI. The size of the EMI depends on the quantum of loan, interest rate and tenure of loan.

We also offer a payment scheme for home loan seekers who are due for retirement within the term of the loan and have applied jointly with an eligible younger co-applicant. Prepayment of the loan, ahead of the contracted schedule in part or full, is permitted. Our loans vary in tenure, though most loans are generally not extended beyond the borrower's retirement age or 60 years (70 years for self-employed individuals), whichever is earlier. Our retail prime lending rate as at March 31, 2018 was 15.5%.

Loans given by us are generally secured by equitable mortgages, registered mortgages of the property and assets financed assignments of life insurance policies, personal guarantees, and undertakings to create a security and/or hypothecation of assets.

We offer the following housing loan products:

Loan Product	Purpose	Ticket size and maximum tenure
Housing Loans		
House/ Flat Purchase	Purchase of a built-up or under construction home	Up to ₹ 100 lakhs Tenure of 30 years for variable ROI subject to retirement age of applicant.
Home construction loans	Self-construction of a home on a land plot owned by a customer	Up to ₹ 100 lakhs Tenure of 30 years for variable ROI subject to retirement age of applicant.
Plot/ land loans	Purchase of non-agricultural plot land situated within municipal/ local development authority limits	Up to ₹ 100 lakhs Tenure of 20 years subject to retirement age of applicant.
Composite Loans	Purchase of non-agricultural plot land situated within municipal/local development authority limits and, in case of plot and construction loans, construction of a home	Up to ₹ 100 lakhs Tenure of 20 years subject to retirement age of applicant.
Home improvement loans	Home renovation and repainting	Up to ₹ 100 lakhs Tenure of 20 years or balance tenure left, whichever is less.
Home extension loans	Extension of the existing accommodations	Up to ₹ 100 lakhs Tenure of 20 years or balance tenure left, whichever is less.
Home loan balance transfer	Transfer of customers' existing home loans obtained from another lending institution to the Company	Up to ₹ 100 lakhs Tenure of 20 years or balance tenure left, whichever is less.
Top-up for extension/ improvement	Top up loan over and above existing Housing Loan for extension of the existing accommodations or home improvisation	Up to ₹ 100 lakhs Tenure of 20 years or balance tenure left, whichever is less.
NRI Home Loans	Purchase, construction, improvement, plot purchase, Plot + Construction loan and extension of residential properties in India NRIs	Up to ₹ 50 lakhs Tenure of 15 years.
Property re-finance	Refinance of purchase consideration paid from own sources towards property already acquired Completed Property - Within 6 Months of acquisition of property Under Construction Property - Within 36 months from the date of commencement certificate of property	Up to ₹ 100 lakhs Tenure of 20 years or balance tenure left, whichever is less.
Property Loans		
Loans against property	Loans against mortgage of customers' • Self Occupied Residential Properties (SORP) • Rented Residential Properties(RRP) • Vacant Residential Properties (VRP) • Self Occupied Commercial Properties (SOCP) • Rented Commercial Property(RCP) availed for working capital and other business needs and construction of residential projects	Up to ₹ 100 lakhs Tenure of 15 years
Non-Residential Property Loan	Purchase of ready possession / under construction or construction of commercial property within Municipality limits of the city and approved for	Up to ₹ 100 lakhs Tenure of 10 years.

Loan Product	Purpose	Ticket size and maximum tenure
	commercial usage by civic authority.	
Project Finance		
Construction of Residential Flats / units to builders	Loans for purchase of land and for development of residential plot is not permitted	Up to ₹ 2000 lakhs for single project and ‘ 3000 lakhs for more than one project of the same builder. Tenure of 5 years (including moratorium period)

Other Products and Services

We also operate in fee-based verticals that complement our core business. By cross-selling various products, including insurance, to our customers, we retain our present customer base and generate additional fee-based income resulting in higher returns.

Insurance services

Our Company is registered with the IRDA as a “Corporate Agent – Composite” until March 31, 2019. With such registration, we are authorized to solicit customers and serve the businesses of both life and general insurance companies. In this regard, we have entered into corporate agency agreements with DHFL Pramerica, Chola MS and DHFL General Insurance Limited. Pursuant to these agreements, we act as DHFL Pramerica’s corporate agents for distribution of DHFL Pramerica’s life insurance products in addition to Chola MS’ and DHFL General Insurance Limited’s general insurance products. As such, we provide insurance services leveraging on the Company’s pan-India distribution network.

We have entered into a loan syndication agreement with DHFL, our Group Company, to provide Property Loans to customers wherein DHFL originates the loan through its branches and get it processed under common credit norms.

Credit Appraisal and Approval

We follow a centralised Housing Loan Credit Policy (last updated in May 2017) to assess home loan applications on the basis of uniform parameters. With standardized credit norms, we are able to apply uniform rules to applicants with similar credit characteristics from any part of the country. We also have a separate policy for project finance i.e. “*AHFL Project Loan Policy*” (last updated in December 2017).

Affordable housing Programmes

No Income Proof Product Program

There is a large underserved unorganized and informal sector, with large market potential, which due to lack of knowledge and unavailability of formal documentation has traditionally been excluded from the reach of organised financial assistance. Further, many low-income households, even if part of the formal sector, get excluded from formal housing finance on the ground that they are unable to meet the stringent criteria led down for access to funds.

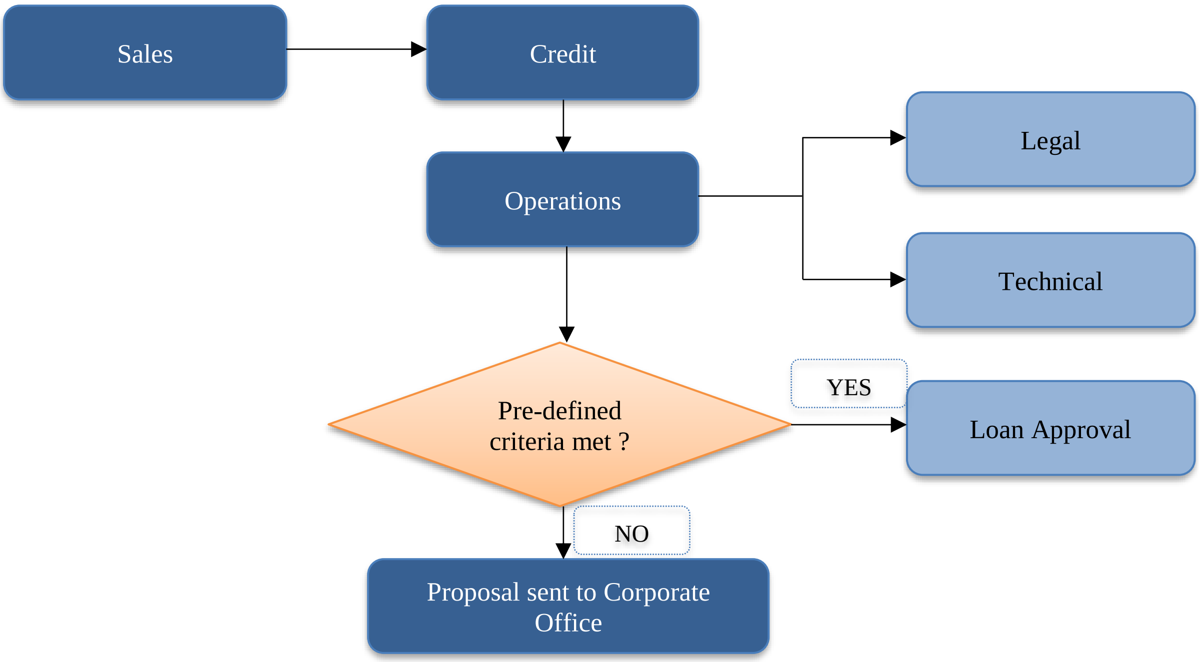
The ‘No Income Proof Product Programme’ is essentially targeted for small business/ self-employed/ artisans who carry on trade, retail manufacture, services, with limited capital investment like hardware, fruit vendor textile, grocery, hair salon, repair work, technical job on contract etc. who have a permanent setup with tangible stock and business activity and are looking for Housing Loans. The maximum ticket size is ₹25 lakhs for a maximum tenure of upto 20 years.

As this segment is a high-risk lending segment, because of the financial vulnerability of such group, we have developed our in-house systems of assessing the cash flow and financial behaviours of the borrowers, rather than depending on traditional concepts of income documents for repayments. The credit assessment is carried out by verifying different parameters to assess applicant’s inclination to pay, saving habits, asset created out of business income.

Low LTV for Self Employed

Under this program the loan eligibility is computed taking into account the high equity (own contribution) of the customer in the property being funded. Portfolio cap under this program is 20%.

Loan Operations



Loan sanctions during the fiscal year ended March 31, 2018 were ₹ 606,713 lakh as against ₹ 69,682 lakh in the previous fiscal year, representing a growth of 770.69%.

Loan disbursements during the fiscal year ended March 31, 2018 were ₹ 390,465 lakh as against ₹ 64565 lakh in the previous fiscal year, representing a growth of 504.76%.

The table below sets out our loan sanctions and disbursements for the past three fiscal years.

(in ₹ lakh)

Particulars	For the Fiscal		
	2016	2017	2018
Sanctions	45,025	69,682	606,713
Disbursements	44,238	64,565	390,465

The following table sets out our total loans by principal categories and principal categories as a percentage of total loans as at March 31, 2016, 2017 and 2018.

(in ₹ lakh, except percentages)

Description	As at March 31					
	2016		2017		2018	
	%	Amount	%	Amount	%	Amount
Housing loans	92.46%	135,847	90.93%	164,577	80.80%	594,072
Other property (non-housing) loans	7.54%	11,072	9.07%	16,422	19.11%	140,525
Others	0	0	0	0	0.09%	673
Total	**100%**	**146,919**	**100%**	**180,999**	**100%**	**735,270**

Funding Sources

We strive to maintain diverse sources of funds in order to reduce our funding costs maintain adequate interest margins and achieve liquidity goals. The following table sets out our sources of funding and their respective percentages of our total funding as at March 31, 2016, 2017 and 2018:

(per centage)

Source of funding	As at March 31,		
	2016*	2017*	2018
Loans from banks and financial institutions	71.06%	60.00%	68.38%
Non-convertible debentures and other debt instruments	0.00%	5.86%	16.21%
Public(fixed) deposits	2.40%	3.93%	1.29%
Refinancing from NHB	26.54%	30.21%	7.33%
Commercial papers	0.00%	0.00%	5.07%
Subordinated debt	0.00%	0.00%	1.33%
Inter-corporate deposit	0.00%	0.00%	0.39%
Total	**100.00%**	**100.00%**	**100.00%**

** For Fiscal 2016 and 2017 the source of funding for our Company, pre-merger, i.e. DHFL Vysya Housing Finance Limited has been considered*
*** Doesn't include unclaimed deposits and accrued interest thereon*

The table below sets forth the amount and weighted average cost of our borrowings as at March 31, 2016, 2017 and 2018.

(₹in lakh)

Funding source	Borrowings as at					
	March 31, 2016*		March 31, 2017*		March 31, 2018	
	₹ lakh	Borrowing cost, %#	₹ lakh	Borrowing cost, %#	₹ lakh	Borrowing cost, %#
Loans from banks and financial institutions	99,668	10.50%	101,830	10.01%	432,856	8.92%
Non-convertible debentures and other debt instruments	-	-	9,940	9.39%	102,640	9.13%
Public(fixed) deposits**	3,362	9.48%	6,673	9.89%	8,166	9.50%
Refinancing from NHB	37,226	8.24%	51,272	7.31%	46,381	7.12%
Commercial papers	-	-	-	-	32,071	7.69%
Subordinated debt	-	-	-	-	8,400	9.87%
Inter-corporate deposit	-	-	-	-	2,500	7.50%
Total / Weighted Average Cost	**140,256**	**9.87%**	**169,715**	**9.15%**	**633,014**	**8.77%**

** For Fiscal 2016 and 2017 the source of funding for our Company, pre-merger, i.e. DHFL Vysya Housing Finance Limited has been considered*
*** Doesn't include unclaimed deposits and accrued interest thereon*
 # Borrowing cost % is Annualised

Credit Ratings

Our borrowings have received the following credit ratings as at March 31, 2018, which help us obtain debt financing at competitive rates of interest:

Nature of borrowing	Rating / Outlook			
	CARE	Brickwork	ICRA	CRISIL
Short-term debt / Commercial Paper	-	-	ICRA A1	CRISIL A1 +
Public (fixed) Deposits / Short Term Deposits				FAA - / Stable
Subordinated debt	CARE AA (SO)	BWR AA+ (SO)	-	-
NCDs	CARE AA+ (SO)	BWR AA+ (SO)	-	-
Long-term bank loans	CARE AA+ (SO)	-	-	-

For a discussion of certain risks relating to our funding and funding costs including losing our existing credit ratings, please refer to the chapter titled "*Risk Factors - We may not be able to secure the requisite amount of financing at competitive rates for our growth plans and continue to gain undisrupted access to our funding sources, which could adversely affect our business, results of operations and financial condition*" on page 20.

Statutory Liquidity Ratio

Housing finance companies are required to maintain a SLR of not less than 12.50% with respect to public deposits outstanding at the close of business and the last working day of preceding quarter. Housing finance companies are required to maintain a SLR of not less than 12.50% with respect to public deposits outstanding at the close of business on the last working day of the second preceding quarter. As at March 31, 2016, March 31, 2017 and March 31, 2018, our Company has investment of (net of provision in diminution) ₹ 80 lakh, ₹ 280 lakh and ₹ 293 lakh, in bank deposits and ₹ 577 lakh, ₹ 1,059 lakh and ₹ 950 lakh in approved securities comprising government securities and government-guaranteed bonds, respectively. As at March 31, 2016, March 31, 2017 and March 31, 2018, our SLR was 25.88%, 24.29% and 15.83%, respectively, which was within the limits prescribed by the NHB.

We classified our investments across current and long-term investments. In respect of long-term investments, we made provisions to reflect permanent diminution in investment value. Our investment decisions are taken within the limits set out by the Board. Our investment function supports the core housing finance business to ensure adequate liquidity and maintain statutory liquidity.

Capital Adequacy

The Company is presently required by the NHB to maintain a minimum capital adequacy consisting of Tier-I and Tier-II capital which shall not be less than 12.00% of our aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. The following table sets out our capital adequacy ratios as at March 31, 2016, 2017 and 2018.

Particulars	As at March 31, 2016	As at March 31, 2017	As at March 31, 2018
Capital Adequacy Ratio	23.12%	19.37%	18.76%

The Company’s capital adequacy ratio was 23.12%, 19.37% and 18.76% as at March 31, 2016, March 31, 2017 and March 31, 2018, respectively, which we believe provides an adequate cushion to withstand business risks and exceeds the minimum requirement of 12.00% stipulated by the NHB. Our capital adequacy ratio is calculated in accordance with Indian GAAP.

Distribution Network

We have a robust distribution network, with a presence across 272 branches across 20 states and union territories, comprising of 160 main branches, two small branches, 62 micro branches, 48 ultra micro branches, one Corporate Office and one Registered Office, as of March 31, 2018.

Our distribution network is designed to reach out to the EWS and LIG segment and tap a growing potential customer base throughout India. We maintain a pan-India marketing and distribution. Our network is grouped into zones and regions located pan-India. Our focus is to concentrate on low income segment, in the target geographies, in urban, semi urban and statutory towns with different town and city planning bye laws, panchayat bye laws, local authority laws, different construction practices, and with competitive market conditions. We believe our business model and robust credit appraisal; legal appraisal and technical appraisal of the loans allows us to deliver improved turnover time and to improve customer satisfaction while maintaining asset quality.

Our distribution network includes direct selling teams (DSTs), direct selling agents (DSAs) (and other business referral partner/channel partners. DST is a direct selling executive, who are part of the sales force on the rolls of our Subsidiary, who shall source and disburse cases for a fixed monthly salary and incentives thereon. The majority of our loans are sourced through the direct selling teams.

We engage DSAs/CPs on a commission basis payable upon disbursement of loans sourced by them. Business sourced by the DSAs/CPs is appraised by us in accordance with our underwriting standards and requirements. Our employees undertake loan processing, appraisal and management of customer relationships post disbursement of loans. We have also engaged third party web-based loan origination and lead management systems to originate and manage home loan applications. Such third-party provider is engaged on a commission fee on the leads and also based on the amount of loans disbursed to customers who have been originated or led from the loan origination and lead management system.

Marketing and Branding

Our marketing and branding activities are conducted by our in-house marketing team, which is responsible for all the product marketing and branding initiatives. We also engage third party creative and media marketing partners for conducting specialized activities to aid our marketing campaigns. The marketing team at Aadhar is based in Mumbai and broadly takes care of brand, marketing, communications, promotions (above the line, below the line, digital etc.), public relations, contents and creative.

Our Company lays great emphasis on awareness drives to educate the EWS and LIG segment about various financial and property related aspects. Aadhar's awareness drives named 'Aadhar Parichay', 'Aadhar Paramarsh Shivir' etc. foster one on one interaction with target customers and helps in information sharing and problem solving.

We also conduct 'Aadhar Awaas Mela', a uniquely designed property exhibition for the EWS and LIG segment where customer, property developers, legal and technical experts and branch home loan team gather under one umbrella to provide end to end solution to a customer. As part of our CSR initiatives we undertake various customer awareness programmes, including 'Sharmaji ke Sawal. Vinodji ke Jawab' where our Company partners with DHFL to provide financial literacy and inclusive growth. The programme aims to facilitate individuals with access to formal banking services, manage finances, leverage government welfare schemes and to invest in businesses, invest in education or health, manage risk, and withstand financial uncertainties. Additionally, the programme supports transition from informal to formal housing, promoting the Pradhan Mantri Awas Yojana ("**PMAY**").

Provisioning, Write-Offs and Asset Recovery

Asset classification, Provisioning and Write-offs

The NHB Directions, 2010, stipulate requirements for HFCs for assessing the quality of their assets including preparation of financial statements. We follow the NHB Directions, 2010 for preparation of our financial statements in accordance with prudential norms prescribed by the NHB for the purpose of asset classifications. Provisions for contingencies have been made for diminution in investment value and on non-performing loans and other assets as per the prudential norms prescribed by the NHB. We also make certain additional provisions to meet unforeseen contingencies.

The following table is a summary of the risk classification of our aggregate loan portfolio (as a percentage of total outstanding loans) and our provision for probable losses as at March 31, 2016, 2017 and 2018.

(in ₹ lakh, except percentages)

Particulars	**As at March 31**					
	2016		**2017**		**2018**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Housing						
Standard	1,34,171	99%	1,62,028	98%	5,87,040	98.70%
Sub Standard	1,077	1%	1,796	1%	3,790	0.64%
Doubtful	565	0%	713	0%	3,872	0.65%
Loss Assets	34	0%	40	0%	43	0.01%
Total housing loans (A)	**1,35,847**	**100%**	**1,64,577**	**100%**	**5,94,745**	**100%**
Other Property Loans						
Standard	10,898	98%	16,161	98%	1,39,816	99.50%
Sub Standard	39	0%	83	1%	318	0.23%
Doubtful	119	1%	158	1%	391	0.28%
Loss Assets	16	0%	20	0%	-	0%
Total other property (non-housing) loans (B)	**11,072**	**100%**	**16,422**	**100%**	**1,40,525**	**100%**
Total loan book (A+B)	**1,46,919**		**1,80,999**		**7,35,270**	
Provisions	1,192		1,611		5,238	

Asset Recovery

The collection strategy or the follow-ups process for the collection of overdue amount from the debtors is linked to ageing in terms of days past due, profile of the customer and geographic or demographic of the branch, state and region.

Our asset recovery process starts with reminders to delinquent borrowers through SMS alerts, tele calling, Awareness

Calling and field visits to delinquent customers, and thereafter proceeds to our initiating appropriate legal action by issuing dunning letters. Employees of the Company conduct the recovery process. We also seek to take extensive actions under the SARFAESI Act by issuing demand notices to defaulting borrowers and guarantors and give notice to anyone who has acquired any of the assets securing our loans, taking possession of the mortgaged properties in the defaulted loans and recovering the dues by disposal of assets in the open market. We initiate actions under Section 138 of the Negotiable Instrument Act, 1881 on case to case basis.

Non-performing Assets

The following table sets forth details of our non-performing loans, defaulting loans and write-offs for loan losses as at March 31, 2016, 2017 and 2018.

(in ₹ lakh, except percentages)

Particulars	As at March 31		
	2016	2017	2018
Gross NPAs	1,850	2,811	8,629
Retail GNPA	1,057	1,777	4,576
Total loans	1,46,919	1,80,999	7,35,270
Gross NPAs to total loans (%)	1.26%	1.55%	1.17%
Provision for probable losses	545	818	2,891
Provision for probable losses to gross NPAs (%)	29%	29%	33.50%
Net NPAs	1,305	1,993	5,739
Net NPAs to total loans (%)	0.89%	1.10%	0.78%
Loans – written off	-	21	332

Loans are classified as non-performing if the default is greater than 90 days. We adhere to NHB Directions, 2010 on the classification of NPAs, and to provisioning guidelines, which require us to set aside a portion or the entire outstanding loan amount depending on the asset quality.

Risk Management

As a lending entity, the Company is exposed to various risks such as credit risk, market risk, liquidity risk, interest rate risk and operational risk. The Company is conscious of these factors and places an emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Company has put in place a comprehensive risk management policy to identify, assess and monitor various risks. Risk management is driven by the board with the overall responsibility of risk management assigned to the Risk Management Committee of the Board of Directors. The Audit Committee supervises the risk management functions of our Company and devises the policy and strategy for integrated risk management containing various risk exposures, risk Appetite, limits, policies. For this purpose, Audit Committee coordinates between the Board and Risk Management Committee. At the operational level, the Company has set up an independent risk management function that is led by Chief Risk Officer.

For further details on the risk associated with our Risk Management operations, please see the chapter "*Risk Factors*" on page 11.

Liquidity risk management

The Company is susceptible to market-related risks such as liquidity risk, interest rate risk, funding risk etc. Such risk management is assigned to the ALCO to monitor these risks on an ongoing basis.

Liquidity risk arises when there is an asset-liability mismatch caused by the difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increases in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner at a reasonable price. HFCs in particular are exposed to liquidity risk in view of the fact that the assets generated by HFCs are of higher average tenor in comparison to liabilities contracted. We actively monitor our liquidity position to ensure that we can meet all requirements of our borrowers, while also meeting the requirements of our lenders and to be able to consider investment opportunities as they arise.

The following table sets forth the asset-liability gap position for our operations as at March 31, 2016, 2017 and 2018, respectively.

(in ₹ lakh)

Asset - Liability Situation	As at March 31,		
	2016	2017	2018
Due in 1 year or less			
Inflows (Assets)	21,207	13,783	58,973
Outflows (Liabilities)	29,007	30,859	1,22,761
Due in 1 - 3 years			
Inflows (Assets)	28,008	28,761	73,505
Outflows (Liabilities)	46,285	49,837	2,13,351
Due in 3 - 5 years			
Inflows (Assets)	24,955	31,380	82,755
Outflows (Liabilities)	30,752	33,830	1,49,029
Due after 5 years			
Inflows (Assets)	82,449	1,09,157	5,44,320
Outflows (Liabilities)	34,309	55,268	1,48,108
Total			
Inflows (Assets)	**1,56,619**	**1,83,081**	**7,59,553**
Outflows (Liabilities)	**1,40,353**	**1,69,794**	**6,33,249**

Because of the composition of our credit portfolio, which qualifies for priority sector lending, we are one of the preferred sources in the debt assignment market. We assign a pool of certain housing and non-housing loans and manage the servicing of such loan accounts under the assignment agreements with buyers/investors. For example, we have entered into assignment agreements with various banks. As at March 31, 2018, the balance outstanding in the pool aggregated to ₹ 61,315 lakh. We are responsible for the collection and servicing of this loan portfolio on behalf of buyers/investors in return for a fee. Under the assignment agreements, we pay to buyers/investors on a monthly basis the *pro rata* collection amount as per the agreement terms.

Interest rate risk management

The borrowings of HFCs like the Company are largely linked to benchmarks and hence the debt of the Company is mainly floating in nature. This exposes HFCs to interest rate risk. Consequently, exposure to interest rate fluctuations and increases needs to be managed in order to mitigate the risk.

As at March 31, 2018, 91% of our loan book were floating rate loans and 71% of our liabilities were floating rate borrowings. Our business is impacted by a change in interest rates although the floating rate loans only re-price on a periodic basis. Exposure to fluctuations in interest rates is measured primarily by way of asset-liability gap analysis, providing a static view of the maturity profile of balance sheet positions. An interest rate gap is prepared by classifying all assets and liabilities into various time period categories according to contracted maturities or anticipated re-pricing dates. The difference in the amount of assets and liabilities maturing or being re-priced in any time period category would then give an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.

Credit risk management

Credit risk is a risk of loss due to failure of a borrower/counterparty to meet the contractual obligation of repaying debt as per the agreed terms, which is also commonly known as a risk of default. Our Company has set up processes for credit risk identification, assessment measurement, monitoring and control. Our Company monitors risks on a company wide basis and ensures compliance with the board approved risk parameters/prudential limits and monitors risk concentrations. We undertake portfolio analysis and highlighting behavior of demography, geography and other factors like properties, profile & products etc.

Our target customer segment is mainly from EWS and LIG segment and such customer segments have limited information on credit history and formal financial and income details. Hence, rating and scoring of such customers is a challenge. We have established rating models /application scorecards and conduct due diligence on the borrower at the time of sanction / renewal of the loan as well as over the course of the relationship. We follow a robust credit risk monitoring process which allows managing, monitoring and controlling performance of assets in a pro-active manner and prevents them from becoming NPAs. Credit risk monitoring is broadly done at two levels:

- *Portfolio Level*: Portfolio monitoring aims towards managing risk concentrations in the portfolio as well identifying stress in certain sectors / industries product wise, profile, geography and annual income wise.

- *Account level:* While account monitoring aims to identify weak accounts at an incipient stage to facilitate corrective actions whereas,

We also monitor credit risk concentration on a continual basis. Credit risk concentration is any single exposure or group of exposures with the potential to produce losses large enough (relative to our Company's capital, total assets) to threaten our Company's health or ability to maintain its core operations.

Concentration risk in credit portfolios comes through an uneven distribution of Company loans, investments and other exposures to individual borrowers (single-name/ borrower-wise concentration) or industry and services sectors (industry concentration) and geographical regions or any other forms of concentration. Concentration risk can result in significant losses because these exposures are affected by changes in similar risk factors and any adverse movement in underlying factors would impact a large portfolio. The effective monitoring, measurement and management of concentration risk by the Company is, therefore, of fundamental importance. Our Company manages concentration risk through prudential norms as outlined in the credit policy. These include single borrower and group exposure limits, limits on unsecured exposure, etc.

The Company has developed internal legal and technical evaluation teams with independent functions to make credit decisions more robust and in line to manage collateral risk. Under our end-to-end business model, our employees are involved throughout the entire loan process and are able to consult with customers from loan origination through disbursement. Our in-house operations team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards in an effort to minimize future losses. The Company’s independent internal audit team conducts a regular review of credit files on a sample basis to ensure adherence to policies and processes, and its dedicated collection and recovery team manages the lifecycle of transactions and monitors the credit quality.

Operational risk management

Operational risk can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We have implemented a comprehensive operational risk management policy with a framework to identify, assess and monitor risks, strengthen controls, improve services and minimize operating losses. The company revisited its Processes, People Management and system process at regular intervals towards attempt to mitigate operational risk by maintaining a 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. We have strengthened our technology platform across systems and processes and set up a disaster recovery site for the retrieval of data to operating units in case of an eventuality or system failure as a part of our business continuity plan. We also set up a data centre in Bengaluru to ensure that all transactions are separately kept on a real time basis. We have formulated the contingency plan to address data recovery in case of a natural disaster and periodically review vigilance and fraud reports, recovery reports and audit reports to detect failures with the objective of systemic remediation. We have also related risk controls to manage legal risks, compliance risks and risks relating to our reputation and brand name.

Management assurance and internal audit function

Our Company’s Internal Audit department, (a unit independent of business and risk units) reports independently to the Board (through the Audit Committee) and further reports to the Chief Executive Officer. It provides comprehensive audit coverage of all divisions within the Company and assists management in ensuring proper control over Company assets and liabilities.

The Audit Committee of the Board reviews the performance of the internal audit function on a quarterly basis, gives direction to its functionaries and reviews effectiveness of internal control systems. The internal auditors undertake a comprehensive audit of all functional areas and operations, with their findings being outlined in the report to the Audit Committee of the Board.

Customer Service and Grievance Redressal Processes

The Company has established a multi-level customer query and grievance resolution process for customers to approach us through various channels such as through our branches or our Corporate Office at Mumbai. In case of any complaints regarding our services/ charges, our customers can lodge a complaint and approach the branch manager/ in-charge at a branch where the loan was availed and/ or maintained either by way of a letter or by way a visit to the branch office personally and make an entry into the complaint register. We strive to provide a prompt resolution based on a template response mechanism usually within a period of seven days from receipt of complaint.

In the event the response given by the branch is unsatisfactory or if no response is received, the customer can escalate the complaint to the Corporate Office, who shall strive to send a detailed reply or intimation within a period of 30 days from the date of receipt of complaint at the Corporate Office.

Insurance

Our Company has insured its various properties and facilities against the risk of fire, burglary, breakdown of office equipments, risk of financial loss due to fraud and other perils including public liability which covers the legal liability arising out of third party bodily injury or third-party property damage in company premises. We have also obtained a Directors' and Officers' Liability Insurance Policy. Further, our Company has obtained money policy to cover "money in safe and till counter and money in transit" for the branches and various offices. All the vehicles owned by our Company are also duly insured.

Our Company also has in place a group mediclaim policy for its employees and their dependent family members, group term life and group personal accident policies, which provide uniform benefits to all the employees.

For a discussion of certain risks relating to our insurance coverage, please refer to the chapter titled "*Risk Factors - Internal Risks and Risks Associated with our Business - Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position*" on page 25.

Human Resources

We have experienced promoters and a management team whom we rely upon to anticipate industry trends and to capitalize on new business opportunities that may emerge. We believe that a combination of our reputation in the market, our working environment and competitive compensation programs help us to attract and retain talented people.

We offer eligible employees the right to participate in our Aadhar Housing Finance Limited – Employee Stock Appreciation Rights Plan 2018 and obtained such approval on March 26, 2018. For details on ESAR 2018 Plan, see the "*Capital Structure*" on page 50.

As at March 31, 2018, we had 1,742 permanent employees. The growth in our employee headcount is in line with our strategy for growing our operations and expanding our geographical reach. The table below sets forth our employees by category as at March 31, 2018.

Category	No. of employees as at March 31, 2018
Head Office	83
Other locations	1,659
Total	**1,742**

Our employees are non-unionised, and we are not a party to any collective bargaining agreement.

Information Technology

Our branch offices are electronically linked to the central server to facilitate operational efficiency and provide cost-effective service. We have upgraded our existing information technology systems with newer application packages which have enhanced connectivity resulting in the development of a centralized credit information database which can be accessed online on a real time basis resulting in increased efficiency. Our Company's IT systems have the capability of an end-to-end customer data capture, computation of income, collateral data capture and repayment management. Loan approval is controlled by the loan application system and the monthly analytics reports including through-the-door and credit information tracking to ensure risk management control and compliance.

As a key focus area of digitizing operation process in line with our endeavours to increase employee and operational productivity to deliver best in class customer services through speeding sanction and disbursement, we are upgrading our IT platform and will be coming up with sales customer relationship management for smooth on boarding of the customer, collection and technical mobility solutions.

With an objective of automation and standardization in credit decision and workflow high productivity, we have established Central Processing Units ("**CPU**") at Mumbai for our salaried home loan customers. CPU will be a central hub having expert credit underwriters for salaried profile to have faster credit decision with better compliances on credit norms. This unit will cater cost effective solution to major portion of our portfolio and will help the company to increase per head productivity and profitability by reducing cost.

As an endeavour to achieve automation on credit decision of formal salaried profile, we are in process of building an application score card. The score engine will be uniquely developed by studying the credit behaviour of or existing customer to predict the repayment of the alike new customer. This will help to estimate the probability of default to classify the proposal in to high risk, medium risk and low risk category. This will help to improve our existing risk based pricing and prioritizing work flow by differentiating high risk customer from low risk customer.

Intellectual Property

Our Company has currently applied for trademarks "Aadhar" with its logo . We have also applied for registration with the Trade Mark Registry but do not own some of the trademarks, trade names or other intellectual property rights such as certain classes of our "Aadhar Housing" logos and copyright of our "AADHAR Housing" logo. For further details, please refer to the chapter "*Risk Factors*" on page 11.

Property

Our registered office is located at No. 3, **'**JVT Towers**'**, 8th A Main Road, Sampangi Rama Nagar, Bangalore – 560 027, Karnataka, India. The registered office is not owned by the Company and the premises are currently on a tenancy basis from Mr. Thimmarayapa. Our corporate office is located at 201, Raheja Point -1, Near Shamrao Vithal Bank, Nehru Road, Vakola, Santacruz (E), Mumbai – 400 055, Maharashtra, India which is currently on a lease/ tenancy basis with our Group Company, DHFL.

For our branches located throughout India, we have entered into lease or leave and license agreements for terms ranging from one to ten years.

HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated as a public limited company under the provisions of the Companies Act, 1956, under the name and style "Vysya Bank Housing Finance Limited", by a certificate of incorporation dated November 26, 1990, issued by the ROC, Bangalore, Karnataka. Our Company commenced its operations, pursuant to a certificate of commencement of business dated November 27, 1990. Subsequently, our Company has obtained a certificate of registration dated July 31, 2001 bearing registration no. 01.0020.01 issued by the NHB to carry on the activities of a housing finance institution under section 29A of the NHB Act, 1987, which was reissued on October 28, 2003, (bearing registration no. 01.0053.03). Our name was subsequently changed to "DHFL Vysya Housing Finance Limited" on October 9, 2003 and later to "Aadhar Housing Finance Limited" on December 4, 2017.

Our Company was previously promoted by ING Vysya, before DHFL took over the Company in 2003 and renamed the Company to DHFL Vysya Housing Finance Limited. Our Company's current Promoters and Promoter Group comprise of WGCL, Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan, Ms. Aruna Wadhawan and DHFL. The registered office of our Company is No. 3, 'JVT Towers', 8th A Main Road, Sampangi Rama Nagar, Bangalore, Karnataka – 560 027. The original signatories to the MOA are Mr. Harinath for and on behalf of the Vysya Bank Limited, which was allotted 100 shares during the incorporation of our Company, and Mr. Ramesh Gelli, Mr. P. V. Satyanarayana, Mr. V. Rajagopal, Mr. A. Rama Mohana Rao, Mr. C. A. Subramanya Gupta, Mr. P. Nageswara Rao and Mr. Sridhar Subasri, each of whom were allotted 10 equity shares each at the time of incorporation of our Company. The liability of the members of the Company is limited.

Amalgamation of the erstwhile Aadhar Housing Finance Limited with our Company

The Bengaluru bench of the Hon'ble National Company Law Tribunal *vide* its order dated October 27, 2017, approved the Scheme of Amalgamation and amalgamation of the erstwhile Aadhar Housing Finance Limited with our Company under Sections 230 and 232 of the Companies Act, 2013 ("**AHFL Scheme of Merger**"), pursuant to which the business and undertaking of erstwhile Aadhar Housing Finance Limited, was merged into our Company with a view of, *inter alia*, consolidating businesses, maximizing synergies, simplifying the organizational structure, reducing administrative costs, and achieving operational and managerial efficiency including reducing managerial overlaps. The appointed date under the AHFL Scheme of Merger was April 1, 2016, and the AHFL Scheme of Merger became effective from the appointed date – April 1, 2016 ("**AHFL Appointed Date**"). On the AHFL Appointed Date, erstwhile Aadhar Housing Finance Limited was merged into our Company without winding up of erstwhile Aadhar Housing Finance Limited under Section 233 of the Companies Act, 2013. Pursuant to the AHFL Scheme of Merger, 1,01,25,360 Equity Shares of our Company, were issued and allotted, to the members of erstwhile Aadhar Housing Finance Limited whose names were recorded in the register of members of erstwhile Aadhar Housing Finance Limited on November 20, 2017, in connection with the AHFL Scheme of Merger, in the ratio of 10:119 i.e. 10 Equity Shares of our Company issued for every 119 equity shares of the face value of ₹ 10 each fully paid up of erstwhile Aadhar Housing Finance Limited, held by the respective members thereof.

Main objects of our Company

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

- To carry on the business of providing long term financial assistance to any person, individual, companies, corporations, firms, societies or associations for the purposes of construction, purchase, acquisition of residential houses or flats on such terms and conditions as the Company may deem fit.

- To solicit and procure Insurance Business as Corporate Agent in respect of all classes of insurance and to undertake such other activities as are incidental or ancillary thereto.

- To carry on the business of retail and institutional distribution of the units of mutual funds and other trusts, funds or pooled investment vehicles or any other financial products issues by banks, mutual funds, non-banking financial companies, asset reconstruction companies or any financial intermediary.

We have received various awards and recognitions in the past, including, amongst others:

Fiscal	Particulars
2018	Best Home Loan (Affordable) Provider of the Year 2017– By 'Outlook Money'

Fiscal	Particulars
2013	Exemplary work in inclusive business 2012– By 'International Finance Corporation

Key terms of our Material Agreements

1. *Shareholder's Agreement between our Company, the Promoter, DHFL and IFC*

   IFC had made an investment in erstwhile Aadhar Housing Finance Limited pursuant to the share subscription agreement dated June 18, 2010 entered into between IFC with the erstwhile Aadhar Housing Finance Limited and the promoters of erstwhile Aadhar Housing Finance Limited. Subsequently, the Bengaluru bench of the NCLT *vide* its order dated October 27, 2017 approved the AHFL Scheme of Merger, pursuant to which erstwhile Aadhar Housing Finance Limited merged into our Company and the name of the resultant company was changed to 'Aadhar Housing Finance Limited'. As a result of the merger, IFC received shares in our Company in exchange for the shares held by it in the erstwhile Aadhar Housing Finance Limited. Further, pursuant to the consent letter dated Augist 1, 2016 in relation to the merger, IFC subscribed to additional shares of our Company through a preferential allotment, at fair value and on terms specified in the above consent letter. Accordingly, IFC, DHFL, our Promoter and our Company have entered into a shareholders' agreement dated March 5, 2018 ("**SHA**") to set out the terms and conditions governing their relationship in relation to our Company.

   The SHA confers certain rights on IFC to regulate its relationship with respect to its investment in our Company including, *inter alia*, tag along rights, pre-emption rights, corporate governance rights, and certain rights in case of a proposed listing of equity shares of our Company. The SHA shall continue to be valid and binding on the parties to it until such time that IFC ceases to hold any equity shares of the Company.

2. *Business Referral Agreement between Avanse Financial Services Limited and our Company*

   Our Company has entered into a business referral agreement dated April 25, 2018 ("**BRA**") with Avanse Financial Services Limited ("**Avanse**") to share its customer database with Avanse after taking such customers' consent, and to allow Avanse to offer its products to its customers. The BRA shall continue unless terminated by the mutual consent of the parties.

   Our Company is required to (i) obtain the prior consent of its customers for referring them to Avanse, and (ii) share such consent with Avanse for verification; and both Avanse and our Company are required to store and maintain such consents for a period of three years after the cessation of the account-based relationship with such customers. Any assignment by either Our Company or Avanse of the loan exposure to their common customers would require the prior intimation to / consent of the other party.

   Avanse has agreed to pay our Company a sourcing fee of 50% of the processing fees collected by Avanse from the referred customers, subject to a minimum of 1% of the disbursed loan amount. This sourcing fee is over and above the base referral fee of ₹ 6 lakhs payable annually by Avanse.

Key terms of our other key agreements

1. *Leave & License Agreement for Surat office premises between DHFL and our Company*

   Our Company has entered into a leave and license agreement dated August 31, 2017 with DHFL with respect to the office premises admeasuring 1,230 sq. ft. situated at 2nd Floor, Western Plaza, Hazira Road, Surat – 395 009. DHFL, the licensor, has given our Company, the licensee, the license to use the office premises for a monthly license fee of ₹ 33,902. The license is valid from a period of 11 months from September 1, 2017 to July 31, 2018. Further, there is a lock-in period of 11 months commencing from September 1, 2017, during which period only our Company is entitled to terminate the agreement. Our Company has deposited an interest-fee refundable security deposit of ₹ 90,000 with DHFL.

2. *Leave & License Agreement for Mumbai office premises between DHFL and our Company*

   Our Company has entered into a leave and license agreement dated December 1, 2017 with DHFL with respect to the office premises admeasuring 2016 sq. ft. (out of a total areas of 3695 sq. ft.) situated at No. 301, Raheja Point-1, Nehru Road, Vakola, Santacruz East, Mumbai – 400 055. DHFL, the licensor, has given our Company, the licensee, the license to use the office premises for a monthly license fee of ₹3,96,933. The license is valid from a period of 11 months from December 1, 2017 to October 31, 2018. Our Company has deposited an interest-fee refundable security deposit of ₹ 6,00,000 with DHFL.

3. *Leave & License Agreement for Mumbai office premises between DHFL and our Company*

   Our Company has entered into a leave and license agreement dated June 1, 2018 with DHFL with respect to the office premises admeasuring 3,905 sq. ft. situated at 2nd Floor, Raheja Point-1, Nehru Road, Vakola, Santacruz East, Mumbai – 400 055. DHFL, the licensor, has given our Company, the licensee, the license to use the office premises for a monthly license fee of ₹ 6,14,250. The license is valid from a period of 11 months from June 1, 2018 to April 30, 2019. Our Company has deposited an interest-fee refundable security deposit of ₹ 9,00,000 with DHFL.

4. *Memorandum of Understanding for IT system support services between DHFL and our Company*

   Our Company has entered into a memorandum of understanding dated May 15, 2018 with DHFL with respect to the availing of IT system support services from DHFL. DHFL is responsible for overseeing our Company's disaster IT recovery management, and maintaining our Company's data backup and data security, privacy and confidentiality. For availing such IT system support services, our Company is required to pay DHFL a sum of 18.49 Crores for the financial year 2018-19. While, the annual operational expenditure incurred by DHFL on behalf of our Company shall be ₹ 7.24 Crores from 2019-2020 onwards. The memorandum of understanding is effective for period of one year from April 1, 2018.

Our Subsidiaries

As on the date of this Draft Shelf Prospectus our Company has one subsidiary:

Aadhar Sales and Services Private Limited ("ASSPL")

ASSPL was incorporated pursuant to a certificate of incorporation dated July 10, 2017 issued by the Registrar of Companies, Maharashtra at Mumbai to carry on business as agents and service provider for manpower services, and to sell, deal, trade financial products, and movable and immovable properties. ASSPL has its registered office situated at 201, Raheja Point-1, Near SVC Bank, Vakola Pipeline, Nehru Road, Santacruz, Mumbai, Maharashtra – 400 055.

ASSPL is a wholly owned subsidiary of our Company with nominees of our Company holding 10 equity shares of ASSPL to fulfil the statutory requirement to have minimum of two shareholders.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. Taxation statutes such as the IT Act, the applicable goods and services tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations such as the Trade and Merchandise Marks Act, 1958 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye-laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

For the purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time.

Investors shall carefully consider the information described below, together with the information set out in other sections of this Shelf Prospectus including the financial statements before making an investment decision relating to the Notes, as any changes in the regulations and policies could have a material adverse effect on our Company's business.

Laws in relation to housing finance companies

The National Housing Bank Act, 1987 (the "NHB Act")

The NHB Act was enacted to establish NHB to operate as a principal agency to promote HFCs both at the local and regional levels and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. The business of the NHB, among others, includes promoting, establishing, supporting or aiding in the promotion, establishment and support of HFCs; making loans and advances or other forms of financial assistance for housing activities of HFCs, scheduled banks, state cooperative agricultural and rural development banks or any other institution or class of institutions as may be notified by the Central Government; guaranteeing the financial obligations of HFCs and underwriting the issue of stocks, shares, debentures and other securities of HFCs; formulating one or more schemes for the purpose of mobilization of resources and extension of credit for housing; providing guidelines to the HFCs to ensure their growth on sound lines; providing technical and administrative assistance to HFCs and exercising all powers and functions in the performance of duties entrusted to the NHB under the NHB Act or under any other law for the time being in force.

Under the NHB Act, every HFC is required to obtain a certificate of registration and meet the requirement of net owned funds of ₹ 200 lakh or such other higher amount as the NHB may specify for commencing or carrying on the business of HFCs. Further, every deposit accepting HFC is required to invest and continue to invest in India in unencumbered approved securities, an amount which, at the close of business on any day, is not less than 5% (or such higher percentage as the NHB may specify, not exceeding 25%) of the deposits outstanding at the close of business on the last working day of the second preceding quarter.

Additionally, every deposit accepting HFC is required to maintain in India an account with a scheduled bank in term deposits or certificate of deposits (free of charge or lien) or in deposits with the NHB or by way of subscription to the bonds issued by the NHB, or partly in such account or in such deposit or partly by way of such subscription, a sum which, at the close of business on any day, together with the investment as specified above, shall not be less than 10% (or such higher percentage as the NHB may specify, not exceeding 25%), of the deposits outstanding in the books of the HFC at the close of business on the last working day of the second preceding quarter. Pursuant to the NHB Act, every HFC is also required to create a reserve fund and transfer therein a sum not less than 20% of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Under the terms of the NHB Act the NHB may, and on the direction of the RBI the NHB shall, cause an inspection of the book of accounts and other documents of any institution to which the NHB has provided a loan, advance or granted any other financial assistance. Further, the NHB is required to provide a copy of its report to such an institution. Also, the NHB in order to efficiently discharge its function, is empowered to direct and collect the credit information from any HFC, at any time.

The Housing Finance Companies (National Housing Bank) Directions, 2010, as amended upto Master Circular, 2017 (the "NHB Directions")

The objectives of the NHB Directions is to consolidate and issue directions in relation to the acceptance of deposits by the housing finance companies, provide the prudential norms for income recognition, accounting standards, asset classification, provision for bad and doubtful assets, capital adequacy and concentration of credit/investment to be observed by the housing finance institutions.

In accordance with the prudential norms mentioned in the NHB Directions, income recognition shall be based on recognized accounting principles. Every HFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease/hire purchase assets, loans and advances and any other forms of credit into certain specified classes, viz. standard assets, substandard assets, doubtful assets and loss assets. Every HFC shall, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realization of the security and the erosion over time in the value of the security charged, to make provision against substandard assets, doubtful assets and loss assets as provided under the NHB Directions, 2010.

The NHB has amended the provisioning norms in the NHB Directions, from time to time. The provisioning requirement in respect of loans, advances and other credit facilities including bills purchased and discounted are required to be:

a) loss assets - the entire assets are required to be written off. If assets are permitted to remain in the books for any reason, then 100% of the outstanding should be provided for;

b) doubtful assets - 100% provision to the extent to which the advance is not covered by the realizable value of the security to which a HFC has a valid recourse shall be made (and such realizable value is to be estimated on a realistic basis), and in addition, depending upon the period for which the asset has remained doubtful provision to the extent of 25% to 100% of the secured portion i.e. the estimated realisable value of the outstanding shall be made in the following manner: i) 25% up to the period of one year; ii) 40% for the period of one year to three years and, iii) 100% for the period more than three years;

c) substandard assets – general provision of 15% of the total outstanding should be made; and

d) standard assets-(i) standard assets with respect to housing loans at teaser/special rates - provision of 2% on the total outstanding amount of such loans and the provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain standard; (ii) (a) standard assets in respect of Commercial Real Estates Residential Housing ("CRE-RH") (consisting of loans to builders/developers for residential housing projects (except for captive consumption)). Such projects do not include non-residential commercial real estate. However, integrated housing projects comprising some commercial space (e.g. shopping complex, school etc) can be classified as CRE-RH, provided that the commercial space in the residential housing project does not exceed 10% of the total floor space index (**FSI**) of the project. In case the FSI of the commercial area in a predominantly residential housing complex exceeds the ceiling of the project loans, the entire loan should be classified as Commercial Real Estate (**CRE**) (and not CRE-RH) - provision of 0.75% on the total outstanding amount of such loans; (b) standard assets in respect of all other Commercial Real Estates ("CRE") (consisting of loans to builders/developers/others for office buildings, retail space, multipurpose commercial premises multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc, other than those covered in (ii)(A). Loans for a third dwelling unit onwards to an individual will also be treated as CRE exposure) - provision of 1% on the total outstanding amount of such loans; and (iii) standard assets in respect of all loans other than (i) and (ii) - a general provision of 0.4% of the total outstanding amount of loans which are standard assets is required to be made.

Pursuant to the notification no. NHB.HFC.DIR.17/MD&CEO/2015 dated October 9, 2015, no HFC shall grant housing loans to individuals (i) up to ₹ 30.0 lakh with LTV ratio exceeding 90%, (ii) above ₹ 30.0 lakh and up to ₹ 75.0 lakh with LTV exceeding 80%, and (iii) above ₹ 75.0 lakh with LTV exceeding 75%.

Every HFC shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 12% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items.

Under the NHB Directions, degrees of credit risk expressed as percentage weighting have been assigned to balance sheet assets. Hence, the face value of each asset is multiplied by the relevant risk weights to arrive at its risk adjusted value of the asset. The aggregate shall be taken into account for calculating the minimum capital adequacy ratio of a housing finance institution.

Further, in terms of the NHB Directions, no HFC shall invest in land or buildings, except for its own use, an amount exceeding 20% of its capital fund (aggregate of Tier I capital and Tier II capital), provided that such investment over and above 10% of its owned funds is required to be made only in residential units. Provided that the land or buildings acquired in satisfaction of its debts shall be disposed of by the housing finance company within a period of three years or within such a period as may be extended by the NHB, from the date of such acquisition if the investment in these assets together with such assets already held by the housing finance company exceeds the above ceiling.Additionally, no HFC shall lend to any single borrower an amount exceeding 15% of its owned funds, and to any single group of borrowers, an amount exceeding 25% of its owned funds. A HFC is not allowed to invest in the shares of another company an amount exceeding 15% of its owned funds; and in the shares of a single group of companies an amount exceeding 25% of its owned funds. A HFC shall not lend and invest (loans/investments together) amounts exceeding 25% of its owned funds to a single party and 40% of its owned funds to a single group of parties. Additionally, a HFC is not allowed to lend against its own shares and any outstanding loan granted by a HFC against its own shares on the date of commencement of the NHB Directions shall be recovered by the HFC in accordance with the repayment schedule.

The NHB Directions provide for exposure limits for HFC to the capital market. Pursuant to the NHB Directions, 2010, the aggregate exposure of a HFC to the capital market in all forms, both fund based and non-fund based, should not exceed 40% of its net worth as on March 31 of the previous year. Within this overall ceiling, direct investment in shares, convertible bonds/debentures, units of equity-oriented mutual funds and all exposures to venture capital funds (both registered and unregistered) should not exceed 20% of its net worth.

The NHB *vide* circular no NHB(ND)/DRS/POL-No. 36/2010 dated October 18, 2010 has directed all HFCs not to charge any prepayment levy or penalty on pre-closure of housing loans by the borrowers out of their own sources. Further, NHB, *vide* circular no NHB(ND)/DRS/POL-No. 43/2011-2012 dated October 19, 2011 has directed all HFCs to discontinue the pre-payment levy or penalty on pre-closure of housing loans when (a) the housing loan is on a floating rate basis and pre-closed by the borrower from funds received from any source and (b) the housing loan is on a fixed rate basis if pre-closed by the borrowers from their "own sources" which means any source other than by borrowing from a bank, HFC, NBFC and/or a financial institution. It has been clarified *vide* circular no NHB(ND)/DRS/Pol-No.48/2011-12 dated April 4, 2012 that the instruction applicable to fixed interest rate housing loans referred to in the circular dated October 19, 2011 will be applicable to such loans which carry fixed rate of interest at the time of origination. Further, it has been directed *vide* circular no NHB(ND)/DRS/Pol-No.51/2012-13 dated August 7, 2012 that all dual/special rate (combination of fixed and floating) housing loans will attract the pre-closure norms applicable to the fixed/floating rate depending on whether at the time of pre-closure, the loan is on fixed or floating rate. A fixed rate loan shall be considered to be a loan where the rate is fixed for the entire duration of the loan. Thus, in the case of a dual/special rate housing loans, the pre-closure norm for the floating rate will be applicable once the loan has been converted into a floating rate loan, after the expiry of the fixed interest rate period. This shall be applicable to all such dual/special rate housing loans being foreclosed hereafter. Further NHB (ND)/DRS/Policy Circular No. 63/2014-15 dated August 14, 2014 directed that HFCs shall not charge foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect. Subsequently, it was clarified *vide* NHB(ND)/DRS/Policy Circular 66/2014-15 dated September 3, 2014 that the provisions of the circular issued on August 14, 2014 are applicable in respect of all floating rate term loans sanctioned to individual borrowers by HFCs, irrespective of the date of sanction and prepaid on or after August 14, 2014. The provisions of the said circular cover part as well as full prepayment. It was also clarified that the aforesaid circular is applicable to term loans sanctioned to individual borrowers and loans in which company, form etc is a borrower or co-borrower, therefore is excluded from its purview.

The NHB *vide* circular no NHB(ND)/DRS/POL-No. 58/2013-14 dated November 18, 2013 has directed all HFCs to ensure that disbursement of housing loans sanctioned to individuals should be closely linked to the stages of construction of the housing projects/houses and upfront disbursal should not be made in cases of incomplete/under-construction/greenfield housing projects/houses.

National Housing Bank Directions on Corporate Governance

The Housing Finance Companies-Corporate Governance (National Housing Bank) Directions, 2016 apply to every non-public deposit accepting Housing Finance Company (HFC) with assets size of ₹ 5,000 lakh and above, as per the last audited balance sheet and all public deposit accepting/holding HFCs.

The Directions provide for constitution of Audit Committee, consisting of not less than three members of its Board of Directors, which will have the same powers, functions and duties as laid down in Section 177 of the Companies Act, 2013. The Audit Committee has to 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 HFCs. The HFCs shall also form a Nomination Committee to ensure fit and proper status of proposed/ existing directors, which will have same powers, functions and duties as set out under Section 178 of the Companies Act, 2013. In addition, the HFCs shall form a Risk Management Committee to manage the integrated risk, besides the Asset Liability Management Committee.

The HFCs shall have a policy 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 guidelines for a policy on the fit and proper criteria are mentioned in the Directions. A declaration and undertaking has to be obtained from the directors giving additional information on the directors. In addition, Deed of Covenant has to be signed by the directors, as per the format mentioned in the Directions. A quarterly statement on change of directors, and a certificate from the Managing Director of the HFC stating that fit and proper criteria in selection of the directors has been followed has to be furnished to the National Housing Bank within 15 days of the close of the respective quarter. The statement submitted by HFCs for the quarter ending March 31, should be certified by the auditors. As per the Directions, certain disclosures have to be made in the Annual Financial Statements as well. The partner/s of the Chartered Accountant firm conducting the audit has to be rotated every three years. The HFCs are also required to have their internal guidelines on corporate governance with the approval of the Board of Directors.

Laws related to money laundering

The Prevention of Money Laundering Act, 2002 (the "**PMLA**") was enacted to prevent money laundering and to provide for confiscation of property derived from, and involved in, money laundering. In terms of the PMLA, every financial institution, including housing finance institutions, is required to maintain record of all transactions including the value and nature of such transactions, furnish information of such transactions to the director defined under PMLA and verify and maintain the records of the identity of all its clients, in such a manner as may be prescribed. The PMLA also provides for power of summons, searches and seizures to the authorities under the PMLA. In terms of PMLA, whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering.

The NHB vide circular NHB(ND)/DRS/POL No. 13/2006 dated April 10, 2006 introduced anti-money laundering measures wherein the HFCs were advised inter-alia to follow the customer identification procedure, maintenance of records of transactions and period of preservation of such record keeping in view of the provisions of PMLA. Further, the aforesaid circular introducing anti-money laundering measures were reviewed and revised *vide* a circular dated October 11, 2010 (the "**2010 Notification**") in light of amendments in the PMLA and the rules framed there under. Further the 2010 Notification requires the HFC to verify identity of non-account based customer while carrying out transaction of an amount equal to or exceeding 50,000. Further, it was directed *vide* a circular dated January 20, 2014, that the HFCs shall ensure that the documents are not given directly to the customers for verification, etc. to obviate any frauds. Subsequently, *vide* a circular dated February 6, 2014, Aadhar card issued by the Unique Identification Authority of India has been mandated as a valid legal document within the meaning of Rule 2(1)(d) of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Pursuant to this circular, Aadhar card is a valid identity as well as proof of address for every applicant (if the address on the application matches that on the Aadhar card), for the purpose of KYC. Additionally, *vide* a circular dated April 23, 2015, in order to reduce the risk of identity fraud and document forgery, the paperless version of e-KYC has been accepted as a valid process for KYC under Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Further, the RBI Notification dated December 3, 2015 titled "Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards" states that all regulated entities are to comply with the updated FATF Public Statement and document 'Improving Global AML/CFT Compliance: on-going process' as on October 23, 2015.Pursuant to circular dated December 8, 2017, HFCs may provide an option to the customer for e-KYC through Aadhaar based One Time Pin (OTP), subject to certain conditions.

Anti-Money Laundering Guidelines 2013, as amended (AML Guidelines)

On February 7, 2013, the Insurance Regulatory Development Authority of India (**IRDAI**) issued AML Guidelines pertaining to anti-money laundering and counter-financing of terrorism in relation to the general insurance sector. The AML Guidelines, *inter alia*, lay down the adoption of anti-money laundering/counter-financing of terrorism program in order to discharge the statutory responsibility through internal policies, procedures and controls, recruitment and training of employees/agents on anti-money laundering program, and internal controls to combat any possible money laundering attempts. Further, the AML Guidelines prescribe the reporting obligations to track any money laundering attempts for further investigation and action. The IRDAI issued a Master Circular on antimony laundering and counter-financing of terrorism dated September 28, 2015 consolidating all the guidelines issued from time to time.

Implementation of Indian Accounting Standards ("Ind AS")

As per circular dated April 16, 2018, every HFC shall follow the provisions of paragraph 24 of the Housing Finance Companies (NHB) Directions, 2010 on Accounting Standards, in terms of the Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India to implement the Indian Accounting Standards by them.

Refinance Scheme for Housing Finance Companies, 2003

Pursuant to Refinance Scheme for Housing Finance Companies, 2003 ("Refinance Scheme"), as amended *vide* a circular dated April 15, 2005, HFCs registered with the NHB are eligible to obtain refinance from the NHB in respect of their direct lending to individuals for the purchase, construction, repair and upgrade of housing units.

In addition, the HFCs are required to provide long-term finance for purchase, construction, repair and upgrading of dwelling units by home-seekers. The HFCs are also required to have specific levels of capital employed and net owned funds to be eligible to avail refinance facilities under the Refinance Scheme. The financial assistance can be drawn by HFCs in respect of loans already advanced by them and also for prospective disbursements. The security for refinance from the NHB may generally be secured by a charge on the book debts of a HFC. If at any time the NHB is of the opinion that the security provided by the HFC has become inadequate to cover the outstanding refinance, it may advise the HFC to furnish such additional security including, inter-alia, charges on immovable/moveable property or a requisite guarantee.

Guidelines for Asset Liability Management System for HFCs vide a circular NHB/ND/DRS/Pol- No. 35/2010-11 dated October 11, 2010

The guidelines for introduction of asset liability management system by HFCs was issued by NHB *vide* a circular dated October 11, 2010 ("**ALM Guidelines**"). NHB has since revised the guidelines. The revised guidelines would be applicable to all HFCs irrespective of whether they are accepting/holding public deposits or not. The ALM Guidelines for HFCs lays down broad guidelines for HFCs in respect of systems for management of liquidity and interest rate risks. The ALM Guidelines provide that the board of directors of a HFC should have overall responsibility for management of risks and should decide the risk management policy and set limits for liquidity, interest rate, exchange rate and equity price risks. Additionally, an asset-liability committee is required to be constituted consisting of the HFC's senior management including the chief executive officer for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFC's budget and decided risk management objectives. Asset-liability management support groups to be constituted of operating staff are required to be responsible for analysing, monitoring and reporting the risk profiles to the asset-liability committee.

The ALM Guidelines also recommended classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). The gap is the difference between rate sensitive assets and rate sensitive liabilities for each time bucket. In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioural pattern of various components of assets and liabilities on the basis of past data/empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee/board of the HFC.

The NHB revised the ALM guidelines in 2010 vide its policy NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010, as amended (the ALM Guidelines 2010). The ALM Guidelines 2010 is applicable to all HFCs irrespective of whether they are accepting / holding public deposits or not. All HFCs are required to put in place the ALM System. HFCs meeting the criteria of asset base of ₹ 10,000 lakh (whether accepting/holding public deposits or not) or holding public deposits of 20 crore or more (irrespective of their asset size) as per the audited balance sheet as of March 31, 2010 would be required to submit the quarterly statement of short-term dynamic liquidity and half-yearly statements of structural liquidity and interest rate sensitivity. The quarterly statement shall be submitted within ten days of the close of the quarter and half yearly statements within 20 days of the close of the half year. It further provided that a board approved comprehensive ALM policy and risk management policy be sent to the NHB before December 31, 2010. The Asset-Liability Committee (ALCO) consisting of the HFC's senior management including the chief executive officer should be responsible for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFC's budget and decided risk management objectives. The chief executive officer/president or the executive director should head the ALCO. A copy of the policy note recorded by the HFCs on the treatment of the investment portfolio for the purpose of ALM and approved by their board of directors/ALCO should be forwarded to the NHB. ALM Guidelines 2010 further provide guidelines for equipping HFC to manage and minimize liquidity risk, currency risk and interest rate risk.

Guidelines on Fair Practices Code for HFCs

The Guidelines on Fair Practices Code for HFCs ("**Fair Practices Code**") were issued by the NHB vide a circular NHB(ND)/DRS/POL-No-16/2006 dated September 5, 2006 and were revised by the NHB vide circulars NHB/ND/DRS/Pol No. 34/2010-11 dated October 11, 2010 and circular NHB (ND)/DRS/Pol. No. 38/2010-11, dated April 25, 2011 which were further revised by the NHB *vide* Master Circular NHB(ND)/DRS/REG/MC-03/2016, to bring more clarity and transparency and to cover all aspects of loan sanctioning, disbursal and repayment issues. The Fair Practices Code seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency, encourage market forces, promote fair and cordial relationship between customer and HFCs and foster confidence in the housing finance system.

The Fair Practices Code provides for provisions in relation to providing regular and appropriate updates to the customer, prompt resolution of grievances and confidentiality of customer information. Further, the HFCs are required to disclose information on interest rates, common fees and charges through notices etc. HFCs are required to ensure that all advertising and promotional material is clear and not misleading, and that privacy and confidentiality of the customers' information is maintained. Whenever loans are given, HFCs should explain to the customer the repayment process by way of amount, tenure and periodicity of repayment, must communicate rejection of loans in writing, and ensure that disbursement is made in accordance with the terms of the sanction letter of loan agreement. However, if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process will involve reminding the customer by sending him/her notice or by making personal visits and/or repossession of security, if any.

Further, *vide* circular NHB (ND)/DRS/Policy Circular No.74/2015 and the Master Circular NHB(ND)/DRS/REG/MC-03/2016 , any guarantor refusing to comply with the demand made by the creditor/lender to make payment of dues despite having sufficient means to do so, will be treated as a wilful defaulter.

Further, *vide* circular NHB(ND)/DRS/Policy Circular No.73/2015-16 and NHB(ND)/DRS/Misc. Circular No.16/2015-16 dated December 3, 2015, the HFCs shall not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities etc.

Guidelines for Recovery Agents Engaged by HFCs

The Guidelines for Recovery Agents Engaged by HFCs ("**Recovery Agents Guidelines**") bearing no. NHB(ND)/DRS/Pol-No.25/2008 were issued on July 14, 2008 by the NHB in relation to the practices and procedures regarding the engagement of recovery agents by the HFCs. Under of the Recovery Agents Guidelines, HFCs are required to have a due diligence process in place for engagement of recovery agents, which should cover inter-alia, individuals involved in the recovery process. HFCs are required to ensure that the agents engaged by them in the recovery process carry out verification of the antecedents of their employees and HFCs may decide the periodicity at which re-verification should be resorted to. HFCs are required to ensure that the recovery agents are properly trained to handle with care and sensitivity their responsibilities, in particular, aspects like hours of calling and privacy of customer information, among others. HFCs are also required to inform the borrower of the details of recovery agency firms/companies while forwarding default cases to the recovery agency.

Under the Recovery Agents Guidelines, any person authorized to represent a HFC in collection and/or security repossession should follow guidelines which includes inter-alia contacting the customer ordinarily at the place of his/her choice; interaction with the customer in a civil manner and assistance to resolve disputes or differences regarding dues in a mutually acceptable and orderly manner. Each HFC should have a mechanism whereby the borrower's grievances with regard to the recovery process can be addressed. The details of the mechanism should also be furnished to the borrower. HFCs have been advised to constitute grievance redressal machinery within the company and give wide publicity about it through electronic and print media.

HFCs are required to, at least on an annual basis, review the financial and operational condition of the service providers to assess their ability to continue to meet their outsourcing obligations. Such due diligence reviews, which can be based on all available information about the service provider, should highlight any deterioration or breach in performance standards, confidentiality and security, and in business continuity preparedness.

Guidelines on Know Your Customers and Anti Money Laundering measures for Housing Finance Companies

The KYC Guidelines issued by NHB *vide* a circular NHB/ND/DRS/Pol-No.33/2010-11 dated October 11, 2010 ("**NHB KYC Guidelines**") mandate the KYC policies and anti-money laundering measures for HFC to have certain key elements, including inter-alia a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to NHB KYC Guidelines and the exercise of due diligence by the NBFC, including its brokers and agents. The NHB KYC Guidelines were amended *vide* NHB(ND)/DRS/Pol. No.60/2013-14 dated February 6, 2014 and NHB (ND)/DRS/Policy Circular No.72/2014-15 dated April 23, 2015 to provide an indicative list of the nature and type of documents/information that may be relied upon for customer identification.

Further, the NHB introduced various reforms *vide* circular no. NHB (ND)/DRS/Policy Circular No.85/2017-18 dated December 8, 2017 that HFC can now carry out their e-KYC verification through Aadhaar based One Time Pin (**OTP**). The process involves verification by input of OTP that has been sent at the time of registration to the mobile number of the customer which is linked with his/her Aadhaar. Accounts opened in terms of this proviso are subject to certain conditions like the explicit consent from the customer for authentication through OTP. The aggregate amount of all the deposit accounts taken together for a customer must not exceed ₹ 10,00,000. Only term loans not exceeding ₹ 50,000 in a year will be sanctioned. The payment of deposits in terms of accounts opened on-line through OTP based e-KYC, shall be accepted only through internet banking from a designated bank account of the customer. A declaration is also required to be obtained from the customer to the effect that no other account has been opened nor will be opened using OTP based KYC either with the same entity or with any other HFC. The circular also provides for reforms to the biometric authentication for e-KYC verification. The customer can now provide the same to an authorized person of the HFC by complying certain criteria while before he/she was required to visit the branch office of the HFC.

The Government of India has authorised the Central Registry of Securitisation Asset Reconstruction and Security Interest of India ("**CERSAI**"), to act as, and to perform the functions of the Central KYC Record Registry vide its notification dated November 26, 2015. In terms of the NHB circular NHB(ND)/DRS/Policy Circular No.76/2016-17 dated November 1, 2016, HFCs were advised to upload the KYC data with CERSAI in respect of new individual accounts opened on or after November 1, 2016. Further, HFCs are required to capture the KYC information for sharing with CERSAI in the manner prescribed under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, issued under the PMLA.

Guidelines on Wilful Defaulters

Pursuant to the advice of the RBI and recommendations of the Puri Committee, the NHB *vide* a circular dated December 31, 2015 ("**Wilful Defaulters Guidelines**") has laid down the mechanism for identification and reporting requirements of wilful defaulters by the HFCs to all Credit Information Companies ("**CICs**"). Every instance above ₹ 25.0 lakh limit of siphoning or diversion of funds along with all instances of default by wilful defaulters above this threshold shall merit a disclosure and intimation to all CICs. The penal provisions envisaged under the Wilful Defaulters Guidelines include: (a) restriction of any further facilities being advanced to a listed wilful defaulter; (b) legal proceedings for recovery along with foreclosure for recovery of dues to be initiated expeditiously along with pursuing criminal proceedings wherever necessary; (c) a proactive approach towards seeking a change of management of a wilful defaulter entity; and (d) a covenant to be included in the lending terms restricting any entity to whom financing is provided, to refrain from inducting a listed wilful defaulter on its board. The HFCs are required to put in place transparent mechanisms so that the penal provisions are not misused and timely intimation to the CICs may be made as required.

Norms for excessive interest rates

The NHB *vide* circular no. NHB(ND)/DRS/POL-No-29/2009 dated June 2, 2009, has advised all HFCs to revisit internal policies in determining interest rates, fee and other charges. According to this notification, the board of each HFC was required to revisit its policies on interest rate determination, fees and other charges, including margins and risk premiums charged to different categories of borrowers and approve the same. HFCs were advised to put in place an internal mechanism to monitor the process and operations in relation to disclosure of interest rates and charges in view of the guidelines indicated in the Fair Practices Code, to ensure transparency in communications with borrowers.

Guidelines for Entry of Housing Finance Companies into Insurance Business

The NHB vide circular NHB (ND)/DRS/Policy Circular No.71/2014-15 dated April 22, 2015 has issued the guidelines on entry of HFCs into Insurance Business. As per the Guidelines, HFCs registered with the NHB and having net owned fund of not less than ₹ 1,000.0 lakh may take up insurance agency business on fee basis and without any risk participation, without the approval of the NHB. However, it has to comply with the following conditions:

a) The HFC should obtain requisite permission from Insurance Regulatory and Development Authority and comply with the IRDA regulations for acting as ‘composite corporate agent’ with insurance companies;
b) The HFC should not adopt any restrictive practice of forcing its customers to go in only for a particular insurance company in respect of assets financed by it.
c) As the participation by a HFC's customer in insurance products is purely on a voluntary basis, it should be stated in all publicity material distributed by it in a prominent way. There should be no 'linkage' either direct or indirect between the provision of financial services offered by the HFC to its customers and use of the insurance products;
d) The premium should be paid by the insured directly to the insurance company without routing through the HFC; and
e) The risks, if any, involved in insurance agency should not get transferred to the business of the HFC.

The HFCs registered with NHB should satisfy the eligibility criteria mentioned in the Guidelines to set up an Insurance JV Company for undertaking insurance business with risk participation. The maximum equity contribution such an HFC can hold in the JV Company will normally be 50 per cent of the paid-up capital of the insurance company. HFCs registered with NHB, which are not eligible as joint venture participants, as above or otherwise can make investments up to 10 per cent of the owned fund of the HFC or ₹ 5,000 lakh, whichever is lower, in the insurance company. The HFCs registered with NHB entering into insurance business as joint venture participant or investor or on risk participation basis will be required to obtain prior approval of the NHB

Laws in relation to foreign investment and external commercial borrowing

Foreign Investment in HFCs

Foreign Investment in India is governed primarily by the provisions of FEMA and the rules, regulations and notifications there-under, read with the presently applicable Consolidated FDI Policy, effective from August 28, 2017 (“**Consolidated FDI Policy**”) (provisions of the Circular 2017) and the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the Department of Industrial Policy and Promotion from time to time. As per the provisions of the Consolidated FDI Policy, 100% FDI under the automatic route is permitted for investment in the financial services activities regulated by NHB.

External Commercial Borrowings for Low Cost Affordable Housing

Pursuant to RBI master circular on “External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers” dated January 1, 2016 and last updated on April 27, 2018, HFCs are eligible to avail of external commercial borrowings (“**ECB**”) for financing low cost affordable housing units. In order to avail ECB, (a) The minimum Net Owned Funds (“**NOFs**”) of HFCs for the past three Fiscals should not be less than ₹ 30,000 lakh; (b) borrowing through ECB should be within overall borrowing limit of 16 (sixteen) times of their NOF and the net non-performing assets (NNPA) should not exceed 2.5 % of the net advances; (c) The maximum loan amount sanctioned to the individual buyer will be capped at ₹ 25 lakh subject to the condition that the cost of the individual housing unit shall not exceed ₹

30 lakh; and (d) HFCs while making the applications, shall submit a certificate from NHB that the availment of ECB is for financing prospective owners of individual units for the low cost affordable housing and ensure that the interest rate spread charged by them to the ultimate buyer is reasonable. Housing Finance Companies, regulated by the National Housing Bank, as eligible borrowers can now avail of ECBs under all tracks (I, II and III). Such entities shall have a board approved risk management policy and shall keep their ECB exposure hedged 100 per cent at all times for ECBs raised under Track I.

Laws in relation to securing and recovering debts

Registration of a charge

Under the Companies Act 2013, our Company is required to register a charge on its property or assets or any of its undertakings, whether tangible or otherwise by filing the relevant form with the RoC along with the instrument creating this charge within 30 days of its creation by paying a prescribed fee. No charge created by a company will be taken into account by the liquidator or any other creditor unless it is duly registered and a certificate of registration of such charge is given by the RoC.

If the particulars of a charge are not filed within the aforesaid period but filed within a period of 300 days of such creation or modification, an additional fee shall be levied. Further, our Company is required to keep at its registered office a register of charges and enter therein particulars of all the charges registered with the RoC on any of the property, assets or undertakings of our Company as well as particulars of any modification of a charge and satisfaction of charge. The entries in the register of charges of the Company shall be made forthwith after the creation, modification or satisfaction of charge, as the case may be.

Where a charge is registered with the RoC, they will issue a certificate of registration of such charge to the person in whose favour the charge is created.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("Securitisation Act")

The Securitisation Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution that may sell financial assets to an asset reconstruction company provided the asset is a Non-Performing Asset ("**NPA**"). Securitisation Companies and Reconstruction Companies ("**SCs/RCs**") are required to obtain, for the purpose of enforcement of security interest, the consent of secured creditors holding not less than 60% of the amount outstanding to a borrower as against 75%. While taking recourse to the sale of secured assets in terms of Section 13(4) of the Securitisation Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

As per the Securitisation Amendment Act of 2004, the constitutional validity of which was upheld in a recent Supreme Court ruling, non-performing assets have been defined as an asset or account of a borrower, which has been classified by a bank or financial institution as sub-standard, doubtful or loss asset in accordance with directions or guidelines issued by the RBI. In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a "without recourse" basis only.

The Securitisation Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitisation company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the Securitisation Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the Securitisation Act have been amended by the Enforcement of Security Interest and Recovery of Debt Laws and Miscellaneous Provisions (Amendment) Act, 2016 as also the Insolvency and Bankruptcy Code, 2016 (which amended S.13 of the Securitisation Act). As per this amendment, the Insolvency and Bankruptcy Board of India shall by order declare moratorium for prohibiting *inter alia* any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation Act

Insolvency and Bankruptcy Code, 2016 (the "IB Code")

The IB Code primarily enables time-bound reorganisation and insolvency resolution of debtors. The primary objectives of the IB Code are:

i. to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons;

ii. to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders, including alteration in the order of priority of payment of Government dues; and

iii. to establish an Insolvency and Bankruptcy Board of India.

The IB Code specifies two different sets of adjudicating authorities to exercise judicial control over the insolvency and liquidation processes:

i. In case of companies, limited liability partnerships and other limited liability entities, National Company Law Tribunals ("**NCLT**") shall act as the adjudicating authority; and appeals therefrom shall lie with the National Company Law Appellate Tribunal ("**NCLAT**").

ii. In case of individuals and partnerships, Debt Recovery Tribunal ("**DRT**") shall act as the adjudicating authority; and appeals therefrom shall lie with the Debt Recovery Appellate Tribunal ("**DRAT**").

The Supreme Court of India shall have appellate jurisdiction over NCLAT and DRAT. The IB Code governs two corporate insolvency processes, i.e. (i) insolvency resolution; and (ii) liquidation:

i. *Insolvency resolution:* Upon a default by a corporate debtor, a creditor or the debtor itself may initiate insolvency resolution proceedings. The IB Code prescribes a timeline of 180 days for the insolvency resolution process, subject to a single extension of 90 days, during which there shall be a moratorium on the institution or continuation of suits of the debtor, or interference with its assets. During such period, the creditors and the debtor will be expected to negotiate and finalise a resolution plan, with the assistance of insolvency resolution professionals to be appointed by a committee of creditors formed for this purpose. Upon approval of such a plan by the adjudicating authority, the same shall become binding upon the creditors and the debtor.

ii. *Liquidation:* In the event that no insolvency resolution is successfully formulated, or if the adjudicating authority so decides, a liquidation process may be initiated against the debtor. A liquidator is appointed, who takes the assets and properties of the debtor in his custody and verifies claims of creditors, before selling such assets and properties and distributing the proceeds therefrom to creditors.

The bankruptcy of an individual can be initiated by the debtor, the creditors (either jointly or individually) or by any partner of a partnership firm (where the debtor is a firm), only after the failure of the Insolvency Resolution Process (IRP) or non-implementation of repayment plan. The bankruptcy trustee is responsible for administration of the estate of the bankrupt and for distribution of the proceeds on basis of the priority set out in the Code.

In addition, the IB Code establishes and provides for the functioning of the Insolvency and Bankruptcy Board of India ("**IBBI**") which functions as the regulator for matters pertaining to insolvency and bankruptcy. The IBBI exercises a range of legislative, administrative and quasi-judicial functions, *inter alia* in relation to the registration, regulation and monitoring of insolvency professional agencies, insolvency professionals and information utilities; publish information, data, research and studies as may be specified; constitute committees as may be required; and make regulations and guidelines in relation to insolvency and bankruptcy.

Recovery of Debts due to Banks and Financial Institutions Act, 1993 ("Debts Recovery Act")

The Debts Recovery Act provides for establishment of Debts Recovery Tribunals ("**DRT**") for expeditious adjudication and recovery of debts due to a bank or financial institution, or a consortium of banks or financial institutions. The Debts Recovery Act is only applicable to such debts as are for a sum that is greater than ₹ 10.0 lakh, or in the case of particular debts that the Central Government may specify, greater than ₹ 1.0 lakh. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and defendant's detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

A DRT established under the Debts Recovery Act exercises jurisdiction over applications from banks and financial institutions for the recovery of debts due to them, and no court or other authority can exercise jurisdiction in relation to matters covered by the Debts Recovery Act, except the higher courts in India in certain circumstances. The Debts Recovery Act also provides for the establishment of Debts Recovery Appellate Tribunals ("DRAT"), and any appeal from any order of a DRT lies with a DRAT. Further, the Debts Recovery Act provides for the procedure to be followed in proceedings before a DRT or DRAT.

Laws Relating to Employment

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

India has stringent labour related legislations. We are 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.

Laws relating to Intellectual Property

The Trade Marks Act, 1999 and the Indian Copyright Act, 1957 inter-alia govern the law in relation to intellectual property, including brand names, trade names and service marks and research works.

Other Applicable Acts

In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013, the Foreign Exchange Management Act, 1999, various tax related legislations and other applicable statutes.

Disclaimer Clause of NHB

The Company has a valid Certificate of Registration dated July 31, 2001 bearing registration no. 01.0014.01 issued by the National Housing Bank (NHB) under Section 29A of the NHB Act, 1987. However, the NHB does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits/ discharge of liabilities by the Company.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws. The Articles of Association set out that the number of Directors in our Company shall not be less than the number prescribed as minimum or more than the maximum limit as specified by the Companies Act, 2013. The Articles of Association further set out that unless otherwise consented to in writing by IFC, the Board shall comprise of a minimum of 5 (five) Directors or more.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013. As on date our Company has five Directors including one Executive Director i.e. the Managing Director and Chief Executive Officer, one Non-Executive Non-Independent Director, two Independent Directors and one Additional Director. Ms. Sasikala Varadachari was our only woman director and she has since resigned w.e.f. on June 13, 2018. Our Company would appoint a woman director as per the requirement of Companies Act.

The following table sets forth details regarding the Board at the date of this Draft Shelf Prospectus:

Details relating to Directors as on the date of this Draft Shelf Prospectus:

Name, Designation, Occupation, Term, Address and Nationality	Age	DIN	Other Directorships
Kapil Wadhawan *Designation*: Founder Director and Non-Executive Chairman of the Board *Occupation*: Business *Term*: Liable to retire by rotation (appointed as Director on February 2, 2003 and designated Chairman from December 5, 2017) *Address*: 22/23, Sea View Palace Pali Hill, Bandra (West), Mumbai – 400 050, Maharashtra, India *Nationality*: Indian	44	00028528	1. Arthveda Fund Management Private Limited; 2. Dewan Housing Finance Corporation Limited; 3. DHFL Investments Limited; 4. DHFL Changing Lives Foundation; 5. DHFL Pramerica Life Insurance Company Limited; 6. Wadhawan Global Capital Limited; 7. Avanse Financial Services Limited; 8. DHFL Advisory & Investments Private Limited; 9. KYTA Productions Private Limited; 10. DHFL Pramerica Asset Managers Private Limited; 11. Wadhawan Wealth Managers Private Limited; and 12. DHFL General Insurance Limited.
Guru Prasad Kohli *Designation*: Independent Director *Occupation*: Management Consultant *Address*: 1403/1404, Dheeraj Enclave, Tower A/1, Opp. Bhor Industries, Off. Western Express Highway, Borivali (East), Mumbai-400 066, Maharashtra, India *Term*: 5 (five) years commencing from June 20, 2014 *Nationality*: Indian	77	00230388	1. Dewan Housing Finance Corporation Limited; 2. DHFL Investments Limited; 3. DHFL General Insurance Limited; 4. DHFL Advisory & Investments Private Limited;

Name, Designation, Occupation, Term, Address and Nationality	Age	DIN	Other Directorships
Venkatesan Sridar *Designation*: Independent Director *Occupation*: Professional *Address*: No.303A, H. P. Employees C.H.S., Plot No. NDR-11, Tilak Nagar, Chembur, Mumbai- 400089, Maharashtra, India *Term*: 5 (five) years commencing from July 24, 2017 *Nationality*: Indian	70	02241339	1. Ponni Sugars (Erode) Limited; 2. Seshasayee Paper and Board Limited; 3. ICICI Prudential Life Insurance Company Limited; 4. Sarda Metals & Alloys Limited; 5. Electronical Finance Limited; 6. Centrum Housing Finance Limited; and 7. IDFC AMC Trustee Company Limited.
Suresh Mahalingam *Designation*: Additional Director *Occupation*: Service *Address*: 8th A, Godrej Waldore, Opp. Millat Nagar, Near Samrath Ashish, Andheri (West) Mumbai – 400053, Maharashtra, India *Term*: From December 5, 2017 till the conclusion of the ensuing AGM *Nationality*: Indian	56	01781730	1. DHFL Investments Limited; 2. DHFL Pramerica Life Insurance Company Limited; 3. Avanse Financial Services Limited; 4. DHFL Pramerica Asset Managers Private Limited; 5. DHFL General Insurance Limited; 6. Prosales Financial Services Private Limited; 7. Home Loan Advisors Private Limited; 8. Andromeda Sales and Distribution Private Limited; 9. Financial Planning Standards Board India; and 10. Pratishruti Foundation.
Deo Shankar Tripathi *Designation*: Managing Director & CEO *Occupation*: Service *Address*: A-2102, Satellite Tower Film City Road, Goregaon (East), Mumbai 400063, Maharashtra, India *Term*: 5 (five) years commencing from December 5, 2017 *Nationality*: Indian	65	07153794	1. Arthveda Fund Management Private Limited; and 2. Aadhar Sales and Services Private Limited.

Confirmations

None of our Directors have been identified as a 'wilful defaulter' by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution, and none of our Directors are directors or are otherwise associated in any manner with any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs.

Compensation of Directors

The Nomination and Remuneration Committee determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors.

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites) pertaining to the last three financial years which has been paid or was payable to the existing Directors by the Company, its subsidiary and associate companies:

(₹in lakh)

Name	Fiscal 2016	Fiscal 2017	Fiscal 2018
Aadhar Housing Finance Limited*			
Kapil Wadhawan	1.94	1.39	2.13
Deo Shankar Tripathi	-	-	191.00
Venkatesan Sridhar	-	1.11	7.21
Guru Prasad Kohli	6.45	7.00	11.82
Sasikala Varadachari**	-	-	2.79
Suresh Mahalingam	-	-	-
Aadhar Sales and Services Private Limited			
Deo Shankar Tripathi	-	-	-
Bikram Sen***	-	-	-

**Aadhar Housing Finance Limited merged with DHFL Vysya Housing Finance Limited in Fiscal 2018*
*** resigned w.e.f. June 13, 2018*
**** resigned w.e.f. June 29, 2018*

Details of the appointment and remuneration of the MD & CEO

Mr. Deo Shankar Tripathi was appointed as the Managing Director and Chief Executive Officer of our Company pursuant to the resolution passed by the Board on December 5, 2017 for a period of 5 years. The terms of his appointment are detailed below:

(in ₹)

Particulars	Remuneration
Gross Salary	1,60,60,011 per annum
Basic Salary	58,40,400 per annum
House Rent Allowance	29,20,200 per annum
Perquisites	As may be determined from time to time
Company car with chauffeur	Provided by our Company for official use
Group Accident insurance policy	As per the rules of our Company
Group Mediclaim Policy	As per the mediclaim policy of our Company
Performance linked bonus	As per the Company policy
Provident Fund	As per the rules of our Company
Superannuation Fund	As per the rules of our Company
Gratuity Fund	As per the rules of our Company

Relationship with other Directors

None of the directors of the Company are related to each other.

Borrowing powers of the Board

Our Shareholders have at the EGM held on January 31, 2018, passed a resolution under section 180(1)(c) of the Companies Act, 2013 and authorised the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of aggregate of paid up share capital and free reserves of the Company up to an amount of ₹10,00,000 lakh (which is proposed to be increased to ₹15,00,000 lakh, or upto 16 times of Net Owned funds, in accordance with applicable NHB regulations, in the ensuing Annual General Meeting of the Company), provided that the total amount so borrowed shall be within the limits as prescribed under the Housing Finance Companies (NHB) Directions, 2010.

Interest of Directors

None of our Directors has been paid any consideration of any nature from our Company, other than their remuneration and sitting fees as highlighted above. Further, other than Mr. Kapil Wadhawan who is interested in our Company by virtue of his shareholding and shareholding of DHFL and agreements entered into with DHFL of which he is the promoter, as a related party, no other director has any other interest in our Company. For further details see related party transaction in the chapter "*Financial Statements*" on page 126. Further, other than Mr. Kapil Wadhawan who is interested in our Company by virtue of his shareholding of WGCL, none of the directors are interested in in connection with the promotion or formation of the issuer.

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 Shelf 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 Shelf 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 and which may be entered into with them.

Shareholding of Directors

As on June 30, 2018, our Directors held the following number of the Equity Shares:

Names of Directors	Number of Equity Shares held
Kapil Wadhawan	1,34,017

As on March 31, 2018, our Directors did not hold any outstanding options other than as mentioned below:

Name of Key Managerial Personnel	Plan	Options Granted	Options vested	Options Outstanding as on March 31, 2018
Deo Shankar Tripathi	ESAR Plan 2018	63,303	-	-

Debenture holding of directors

As on June 30, 2018, none of our directors hold any debentures of the Company.

Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. Our Company has in place processes and systems whereby it complies with the requirements to the corporate governance provided in SEBI Listing Regulations (to the extent applicable to a company which has listed debt securities) and NHB CG Directions. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

Our Company believes that its Board is constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Appointment of any relatives of Directors to an office or place of profit

Except our Promoter Directors, none of our Directors' relatives have been appointed to an office or place of profit.

Details of various committees of the Board of Directors

Our Company has constituted the following committees:

1. Audit Committee

The Audit Committee was last reconstituted on December 5, 2017. The members of the Audit Committee are:

(i) Mr. Venkatesan Sridar
(ii) Mr. Kapil Wadhawan
(iii) Mr. Guru Prasad Kohli
(iv) Ms. Sasikala Varadachari (resigned w.e.f. on June 13, 2018)

2. Asset Liability Management Committee

The Asset Liability Management Committee was last reconstituted on December 5, 2017. The members of the Asset Liability Management Committee are:

(i) Mr. Kapil Wadhawan
(ii) Mr. Guru Prasad Kohli
(iii) Mr. Deo Shankar Tripathi

3. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was last reconstituted on December 5, 2017. The members of the Corporate Social Responsibility Committee are:

(i) Mr. Venkatesan Sridar
(ii) Mr. Guru Prasad Kohli
(iii) Mr. Suresh Mahalingam

4. Management Committee

The Management Committee was last reconstituted on December 5, 2017. The members of the Management Committee as of March 31, 2018:

(i) Mr. Kapil Wadhawan
(ii) Mr. Guru Prasad Kohli
(iii) Mr. Deo Shankar Tripathi

5. Share Transfer Committee

The Share Transfer Committee was last reconstituted on December 5, 2017. The members of the Share Transfer Committee are:

(i) Mr. Kapil Wadhawan
(ii) Mr. Deo Shankar Tripathi
(iii) Mr. Suresh Mahalingam

6. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was last reconstituted on December 5, 2017. The members of the Nomination and Remuneration Committee are:

(i) Mr. Venkatesan Sridar
(ii) Mr. Guru Prasad Kohli
(iii) Ms. Sasikala Varadachari (resigned w.e.f. on June 13, 2018)

7. Risk Management Committee

The Risk Management Committee was last reconstituted on December 5, 2017. The members of the Risk Management Committee are:

(i) Mr. Guru Prasad Kohli
(ii) Mr. Venkatesan Sridar
(iii) Mr. Suresh Mahalingam

8. **Investment Committee**

The Investment Committee was last reconstituted on December 5, 2017. The members of the Investment Committee are:

(i) Mr. Guru Prasad Kohli
(ii) Mr. Deo Shankar Tripathi

9. **Stakeholders Relationship Committee**

The Stakeholders and Relationship Committee was last reconstituted on October 14, 2017. The members of the Stakeholders and Relationship Committee are:

(i) Mr. G.P. Kohli.
(ii) Mr. Venkatesan Sridar.
(iii) Mr. Deo Shankar Tripathi
(iv) Ms. Komala Nair, Sr. Vice President.

Changes in the Directors of our Company during the last three years:

The Changes in the Board of Directors of our Company in the three years preceding the date of the Draft Shelf Prospectus are as follows:

Sr. No.	Name *Designation*	DIN	Date of appointment/ resignation	Reasons
1.	Venkatesan Sridhar *Designation*: Additional Director (Independent Director)	02241339	January 20, 2017	Appointment
2.	R. Nambirajan *Designation*: Managing Director	00241157	July 2, 2017	Resignation
3.	Venkatesan Sridhar *Designation*: Independent Director	02241339	July 24, 2017	Appointment
4.	Deo Shankar Tripathi *Designation*: Managing Director	07153794	December 5, 2017	Appointment
5.	Sasikala Varadachari *Designation*: Additional Director	07132398	December 5, 2017	Appointment
6.	Suresh Mahalingam *Designation*: Additional Director	01781730	December 5, 2017	Appointment
7.	Bikram Sen *Designation*: Independent Director	00230547	December 5, 2017	Resignation
8.	Ms. Sasikala Varadachari *Designation*: Additional Director	07132398	June 13, 2018	Resignation

Key managerial personnel of our Company

Our operations are overseen by a professional management team. In addition to the Managing Director and Chief Executive Officer as set forth above, following are the key managerial personnel:

Mr. Anmol Gupta (aged about 46 years) is the Chief Financial Officer of our Company. He is a member of the Institute of Chartered Accountants of India. He has been the Chief Financial Officer of our Company for a period of one year and one month. Mr. Gupta was also associated with erstwhile AHFL and his effective date of appointment (as per the AHFL Scheme of Merger) is 21 November 2017, however, without any change or interruption of his existing terms and conditions.

Mr. Sreekanth V. N. (aged about 50 years) is the Company Secretary of our Company. He is a member of the Institute of Company Secretaries of India. He has been associated as a Company Secretary with our Company for a period of five years and one month. Mr. Sreekanth was also associated with erstwhile AHFL and his effective date of appointment (as per the AHFL Scheme of Merger) is 21 November 2017, however, without any change or interruption of his existing terms and conditions.

Compensation of our Company's key managerial personnel

In addition to the remuneration payable to the Managing Director & Chief Executive Officer, our Company paid a total remuneration of ₹ 137lakh to its employees who were key managerial personnel during the financial year ended March 31, 2018.

Bonus or profit sharing plan of the key managerial personnel

Other than the commission fixed for our Managing Director & Chief Executive Officer, our Company does not have any bonus or profit sharing plan with the key managerial personnel.

Interest of key managerial personnel

None of our key managerial personnel has been paid any consideration of any nature from our Company, other than their remuneration. Our KMPs have been granted home loans at concessional rate of interest, in ordinary course of business of our Company.

Payment or Benefit to Officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any other benefit upon termination of his/her employment in our Company.

Shareholding of our Company's key managerial personnel

As on March 31, 2018, our key managerial personnel did not hold any Equity Shares in our Company. Further, as on March 31, 2018, our key managerial personnel, other than our executive directors, did not hold any outstanding options in our Company.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three financial years, as per the requirements under "*Accounting Standard 18 – Related Party Transactions*" specified under the Companies Act, refer to the chapter "*Financial Statements*" beginning on page 126.

OUR PROMOTER

Profile of our Promoter

Our Promoter is Wadhawan Global Capital Limited ("**WGCL**").

WGCL is a 'systemically important non-deposit taking core investment company' (CIC-ND-SI) registered with the RBI under Section 45-IA of the RBI Act. As on date of this Draft Shelf Prospectus, WGCL holds 17,597,715 Equity Shares in our Company aggregating 69.98% of our paid-up capital.

WGCL serves various financial needs of consumers through investments in businesses involved in lending, investments, protection and strategic investments. WGCL's subsidiaries and associate entities have leadership presence across services from housing loans, education loans, mutual funds and asset management to life & general insurance.

Interest of our Promoter

Our Promoter does not have any interest in our Company other than the dividend paid as our shareholder and reimbursement of expenses incurred on sharing of premises/infrastructures. For further details see related party transaction in the chapter "*Financial Statements*" on page 126.

Our Promoter does not propose to subscribe to the Issue.

Other understandings and confirmations

Our Promoters (as per the Companies Act, 2013) have confirmed that they have not been identified as willful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Shareholding Pattern of WGCL as on June 30, 2018:

Sr. No.	Name of Shareholder	No. of Shares	Percentage Shareholding (%)
1.	Kapil Wadhawan	1,51,361	25.55
2.	Dheeraj Wadhawan	1,51,361	25.55
3.	Aruna Wadhawan	1,98,708	33.55
4.	Kyta Advisors Limited	90,842	15.34
5.	Srinath Sridharan (Nominee of Kapil Wadhawan)	10	0.00
6.	S. Govindan (Nominee of Dheeraj Wadhawan)	10	0.00
7.	Suresh Mahalingam (Nominee of Aruna Wadhawan)	10	0.00
8.	Niti Arya (Nominee of Aruna Wadhawan)	10	0.00
Total		**5,92,312**	**100.00**

Board of directors of WGCL:

1. Mr. Kapil Wadhawan, Managing Director;

2. Mr. Dheeraj Wadhawan, Director; and

3. Mr. Samir Saran, Independent Director;

SECTION V-FINANCIAL INFORMATION

FINANCIAL STATEMENTS

REPORT OF THE INDEPENDENT JOINT AUDITORS ON THE REFORMATTED CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
Aadhar Housing Finance Limited
(Formerly known as "DHFL Vysya Housing Finance Limited")

Report on the Reformatted Consolidated Financial Statements

1) The accompanying Reformatted Consolidated Financial Statements of **Aadhar Housing Finance Limited (Formerly known as "DHFL Vysya Housing Finance Limited")** (the "Company") and its subsidiary (the "Group"), which comprise the Reformatted Consolidated Statements of Assets and Liabilities as at March 31, 2018, and also the Reformatted Consolidated Statements of Profit and Loss and the Reformatted Consolidated Cash Flow Statements for the year ended March 31, 2018, and a summary of the significant accounting policies and other explanatory information (together comprising the "**Reformatted Consolidated Financial Statements**") are derived from the audited consolidated financial statements (the "Audited - Consolidated Financial Statements") of the Group for the year audited by us as detailed in paragraph 3(a) to 3(b) below.

2) The Reformatted Consolidated Financial Statements have been prepared by the Management of the Group on the basis of Note 2.1 to the Reformatted Consolidated Financial Statements and have been approved by the Board of Directors.

3) a) We expressed our opinion on the Audited Consolidated Financial Statements of the Group for the year ended March 31, 2018 vide our report dated April 24, 2018.

   b) Our report on the Audited Consolidated Financial Statements of the Group for the year ended March 31, 2018 states that we did not audit the financial statements of the subsidiary company of the Group, whose financial statements reflect the financial information as considered in the Audited Consolidated Financial Statements for the year then ended to the extent set out in Annexure 1. These financial statements were audited by other auditor whose report were furnished to us, and our audit opinion on the consolidated financial statements of the Group for the year ended March 31, 2018 to the extent they relate to the figures for the year included in Annexure 1, is solely based on the report of the other auditor.

   Our opinion was not modified in respect of this matter.

4) The figures included in the Reformatted Consolidated Financial Statements, do not reflect the effect of events that occurred subsequent to the date of our report on the period referred to in paragraph 3(a) above.

5) **Management's Responsibility for the Reformatted Consolidated Financial Statements**
   Management is responsible for the preparation of the Reformatted Consolidated Financial Statements, as mentioned in paragraph 1 above, on the basis of Note 2.1 to the Reformatted Consolidated Financial Statements. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Reformatted Consolidated Financial Statements that are free from material misstatement, whether due to fraud and error. The Management and the Board of Directors are also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations that determine the reported amounts and disclosures in the Reformatted Consolidated Financial Statements.

6) **Auditor's Responsibility**
   Our responsibility is to express an opinion on the Reformatted Consolidated Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

7) **Opinion**
   In our opinion, the Reformatted Consolidated Financial Statements derived from the Audited Consolidated Financial Statements of the Group for the respective years are a fair summary of the Audited Consolidated Financial Statements of the respective years on the basis described in Note 2.1 to the Reformatted Consolidated Financial Statements.

8) **Other matters**

a. This report should not in any way be construed as a re-audit and consequently, re-issuance or re-dating of any of the previous audit reports issued by us and/or other firms of Chartered Accountants on the Reformatted Consolidated Financial Statements.

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

9) **Restrictions on Use**

This report is addressed to and is provided to enable the Company for the proposed public issue by the Company for 3,00,00,000 secured Redeemable Non- Convertible Debentures (The "NCD's") of Face Value of Rs.1,000 each, for an amount upto Rs. 3,00,000 Lakh, to be filed by the Company with BSE Limited and with the Securities and Exchange Board of India. The Reformatted Consolidated Financial Statements may, therefore, not be suitable for another purpose or distributed to any other person, without our prior written consent.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/ W-100018)

G.K. Subramaniam
Partner
(Membership Number: 109839)

For CHATURVEDI SK & FELLOWS
Chartered Accountants
(Firm's Registration No.112627W)

Srikant Chaturvedi
Partner
(Membership Number: 070019)

Mumbai, July 06, 2018

<u>Annexure 1 to the report on the Reformatted Consolidated Financial Statements (referred to in paragraph 3 (b) of the report)</u>

Financial Statements of a subsidiary audited by other auditors, as considered in the Audited Consolidated Financial Statements of the Group:

Audited by other auditors	Amount (Rs. in lakhs)
Total Assets	167
Total Revenue	913
Total Net Cash Inflows	74

Annexure I

AADHAR HOUSING FINANCE LIMITED
(FORMERLY KNOWN AS DHFL VYSYA HOUSING FINANCE LIMITED)

Reformatted Consolidated Balance Sheet as at March 31, 2018

(Rs. in Lakh)

Particulars	Note No.	As at March 31, 2018
A. EQUITY AND LIABILITIES		
1 Shareholders' fund		
a Share capital	3	2,515
b Reserves and surplus	4	67,434
Total shareholders' funds		**69,949**
2 Non current liabilities		
a Long term borrowings	5	5,10,488
b Deferred tax liability [net]	6	1,801
c Long term provisions	7	5,669
Total non-current liabilities		**5,17,958**
3 Current liabilities		
a Short term borrowings	8	37,110
b Trade payables	9	
a) Total outstanding dues to micro enterprises and small enterprises		-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,382
c Other current liabilities	10	1,56,092
d Short term provisions	11	347
Total current liabilities		**1,94,931**
Total equity and liabilities		**7,82,838**
B. ASSETS		
1 Non current assets		
a Fixed assets		
(i) Tangible assets	12	1,830
(ii) Intangible assets	12	83
		1,913
b Non current investments	13	471
c Long term housing and property loans	14	6,99,125
d Other long term loans and advances	15	1,833
e Other non current assets	16	135
Total non current assets		**7,03,477**
2 Current assets		
a Current investments	17	20,483
b Trade receivables	18	1,331
c Cash and bank balance	19	19,708
d Short term portion of housing and property loans	14	36,145
e Short term loans and advances	20	581
f Other current assets	21	1,113
Total current assets		**79,361**
Total assets		**7,82,838**

See accompanying notes forming part of financial statements **1 to 38**
In terms of our report attached.

For Chaturvedi SK & Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place: Mumbai
Dated: July 6, 2018

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
Partner
ICAI M N : 109839

Place: Mumbai
Dated: July 6, 2018

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

G. P. Kohli
Director
DIN 00230388

Anmol Gupta
Chief Financial Officer

Srikant V.N.
Company Secretary

Annexure II

AADHAR HOUSING FINANCE LIMITED
(FORMERLY KNOWN AS DHFL VYSYA HOUSING FINANCE LIMITED)

Reformatted Consolidated Statement of Profit and Loss for the year ended March 31, 2018

(Rs. in Lakh)

Particulars	Note No.	For the year ended March 31, 2018
1 Income		
Revenue from operations	22	80,719
Other income	23	12
Total income		**80,731**
2 Expenses		
Finance costs	24	46,201
Employees benefits expense	25	10,761
Depreciation and amortisation	12	363
Provision for contingencies		1,987
Other expenses	26	5,528
Total expenses		**64,840**
3 Profit before tax (1-2)		**15,891**
4 Tax expense		
Current tax		5,687
Deferred tax		242
		5,929
5 Profit for the year (3-4)		**9,962**
6 Earnings per equity share	27	
Basic and diluted earnings per share (Rs.)		46.41

See accompanying notes forming part of financial statements 1 to 38
In terms of our report attached.

For Chaturvedi SK & Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place: Mumbai
Dated: July 6, 2018

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
Partner
ICAI M N : 109839

Place: Mumbai
Dated: July 6, 2018

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

G. P. Kohli
Director
DIN 00230388

Anmol Gupta
Chief Financial Officer

Srikant V.N.
Company Secretary

AADHAR HOUSING FINANCE LIMITED
(FORMERLY KNOWN AS DHFL VYSYA HOUSING FINANCE LIMITED)

Reformatted Consolidated Cash flow statement for the year ended March 31, 2018

(Rs. in Lakh)

Particulars	**For the year ended March 31, 2018**
A. Cash flow from operating activities	
Profit before tax	15,891
Adjustments for:	
Depreciation	363
Provision for contingencies	1,987
Profit on sale of investment in mutual fund and other investments	(1,462)
Operating profit before working capital changes	16,779
Adjustments for:	
Increase/(Decrease) in liabilities and provisions	33,728
(Increase)/Decrease in trade receivables	(366)
(Increase)/Decrease in loans and advances	(386)
(Increase)/Decrease in other assets	63
Cash generated from operations during the year	49,818
Tax paid	(5,793)
Net cash flow from operations	44,025
Housing and other property loans disbursed	(3,90,465)
Housing and other property loans repayments	89,967
Net cash used in operating activities [A]	(2,56,473)
B. Cash flow from investing activities	
Proceeds received on sale / redemption of investments	7,14,257
Payment towards purchase of investments	(7,16,336)
Investment in fixed deposits (net of maturities)	1,784
Payment towards purchase of fixed assets	(758)
Proceeds received on sale of fixed assets	-
Net cash used in investing activities [B]	(1,053)
C. Cash flow from financing activities	
Proceeds received on allotment of equity shares	11,500
Proceeds from loans from banks/institutions	2,31,695
Proceeds from loans from Non-convertible debentures	48,500
Repayment of loans to banks/institutions	(62,447)
Repayment of loans to Non-convertible debentures	(8,800)
Net proceeds / (repayment) of short term Loan	(5,988)
Proceeds from fixed deposits	3,878
Repayment of fixed deposits	(2,230)
Proceeds from assignment of portfolio	35,341
Dividend paid	(776)
Tax paid on dividend	(158)
Net cash generated from financing activities [C]	2,50,515
Net increase / (decrease) in cash and cash equivalents [A+B+C]	(7,011)
Cash and cash equivalents at the beginning of the year	7,357
Cash and cash equivalents acquired on amalgamation	18,566
Cash and cash equivalents at the end of the year	18,912

See accompanying notes forming part of financial statements **1 to 38**
In terms of our report attached.

For Chaturvedi SK & Fellows	For Deloitte Haskins & Sells LLP	For and on behalf of the Board of Directors	
Chartered Accountants	Chartered Accountants		
ICAI FRN:112627W	ICAI FRN : 117366W/W-100018		
		Deo Shankar Tripathi	Suresh Mahalingam
		Managing Director & CEO	Director
		DIN 07153794	DIN 01781730
Srikant Chaturvedi	G.K Subramaniam		
Partner	Partner		
ICAI MN: 070019	ICAI M N : 109839		
		G. P. Kohli	Anmol Gupta
		Director	Chief Financial Officer
		DIN 00230388	
Place: Mumbai	Place: Mumbai	Srikant V.N.	
Dated: July 6, 2018	Dated: July 6, 2018	Company Secretary	

Significant accounting policies and notes to the accounts to the reformatted consolidated financial statements

Annexure IV

1. Corporate information

Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited) 'the Company' or 'the Group' was incorporated in India in the name of Vysya Bank Housing Finance Limited on 26th November 1990 and is carrying business of providing loans to retail customers including individuals, Companies, Corporations, Societies or Association of Persons for purchase / construction / repair and renovation of residential property, loans against property and provide other property related services. The Company is registered with National Housing Bank under section 29A of the National Housing Bank Act, 1987. The Company is subsidiary of Wadhawan Global Capital Limited.

2. Significant accounting policies :

2.1 Basis of preparation of financial statements

The Consolidated financial statements have been prepared under the historical cost convention on an accrual basis to comply in all material aspects with applicable accounting principles in India including accounting standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India, the relevant provisions of the Companies Act, 2013 ("the Act"), the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions 2010 issued by National Housing Bank to the extent applicable. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Principles of Consolidation

The consolidated financial statements relate to Aadhar Housing Finance Limited (the 'Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Company i.e., March 31, 2018

ii. The financial statements of the Company and its subsidiary company have been combined on a line-by line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intragroup balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

iii. Particulars of subsidiary

Name of the Company	Country of Incorporation	Percentage of Voting Power as at March 31, 2018
Aadhar sales and services private limited (w.e.f July 11, 2017)	India	100%

2.3 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) on the date of financial statement and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to accounting estimates is recognised prospectively in the current and future periods. Example of such estimates includes provision for non - performing loans, provision for employee benefit plans and provision for income taxes.

2.4 Revenue Recognition

Income from housing and property loans :

i. Repayment of housing and property loan is by way of Equated Monthly Instalments (EMIs) comprising principal and interest. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest basis in terms of financing scheme opted by the borrower. Interest income is allocated over the contractual term of the loan by applying the committed interest rate to the outstanding amount of the loan. Interest income is accrued as earned with the passage of time. Revenue from interest on non-performing assets is recognised on a receipt basis as per the guidelines prescribed by the National Housing Bank.

ii. Processing fees and other loan related charges are recognised when it is reasonable to expect ultimate collection which is generally at the time of Login/disbursement of the loan.

iii. Prepayment charges, delayed payment interest and other income are recognized on receipt basis.

Revenue from other services / other income

i. Dividend income on investments is recognised when the unconditional right to receive dividend is established. In term of Housing Finance Companies (NHB) Direction 2010, Dividend Income on units of Mutual Funds held by the Company are recognised on cash basis.

ii. Interest income on Deposits and Other Debt Instruments is recognised on accrual basis. The gains/losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a weighted average basis.

iii. Income from other services is recognised after the service is rendered and to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured.

2.5 Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

2.6 Intangible assets

Intangible assets including software are capitalized where it is expected to provide future enduring economic benefits. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.7 Depreciation / amortization

i. Tangible assets

a). Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

b). Depreciation on tangible fixed assets has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of the assets, in whose case the life of the assets has been assessed differently, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc..

Estimated useful life considered by the Company are:

Asset	**Estimated Useful Life**
Office Equipment	5 – 10 Years
Vehicles	4 – 10 Years
Leasehold improvements	Lease Period

ii. Intangible assets

Intangible assets are amortised over their estimated useful life on straight line method. Computer software is amortised over 3 years on the ‘Straight Line Method’ basis for the number of days the assets have been put to use for their intended purposes.

2.8 Impairment of assets (other than Loan Assets)

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalue amount, in which case any impairment loss of the revalue asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalue asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalue assets such reversal is not recognised.

2.9 Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

2.10 Employee benefits

Employee benefits are accrued in accordance with Accounting Standard-15 (Revised) “Employee Benefits”.

i. Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

ii. Defined benefits plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Long-term leave has been valued on actuarial basis as at the year end.

iii. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.11 Finance costs

Interest accrued on cumulative fixed deposit and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme.

Interest and related financial charges (including ancillary transaction cost) are recognised as an expense in the period for which they are incurred as specified in Accounting Standard (AS 16) on “Borrowing Costs”.

2.12 Provisions for non-performing assets and standard assets

The recognition of non-performing (“NPA”) and provision on Standard and Non-Performing Loans is made as per the prudential norms prescribed in the Housing Finance Companies (NHB) Directions, 2010 as amended. Additional provisions (over and above the prudential norms) if required is made as per the Guidelines approved by the Board of Directors from time to time.

2.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss over the lease term.

2.14 Foreign currency transaction and balances

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.15 Current and deferred tax

i. Tax expense comprises of current tax and deferred taxes.

ii. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

iii. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

iv. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.17 Provisions, contingent liability and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

2.18 Special Reserve

The company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.19 Housing and property loans

Housing loans include outstanding amount of Housing Loan disbursement directly or indirectly to individual, Project Loan for residential building and other borrowers. Property loans include mortgage against residential / commercial property and loan against the lease rental income from properties in accordance with the directions of National Housing Bank. EMI / Pre-EMI receivable from borrowers less than or equal to 3 months against the above loans are shown under Trade Receivables.

2.20 Assignment of portfolio

The Company periodically transfers the pools of mortgages and housing loans. Such assets are derecognised, if only if, the company loses the control of the contractual rights that comprise the corresponding pools of housing and mortgage loans transferred.

Transfer of pools of Mortgages and Housing Loans involves the transfer of proportionate share in the pools of housing loan and mortgage loans. Such transfers results in de-recognition only of that portion of mortgage and housing loans as meet the criteria of de-recognition. The portion retained by the Company continue to be accounted for as described above

2.21 Cash flow statement

Cash flows are reported using the indirect method as envisaged in Accounting Standard (AS) 3 Cash Flow Statements, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.22 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.23 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Share capital

(Rs in Lakh)

Particulars	As at March 31, 2018
Authorised share capital	
22,00,00,000 Nos. of equity shares of Rs 10 each fully paid up	22,000
Issued share capital	
2,51,48,472 Nos. of equity shares of Rs 10 each fully paid up	2,515
Subscribed and paid up capital	
2,51,48,472 Nos. of equity shares of Rs 10 each fully paid up	2,515
Total	**2,515**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2018
Equity shares at the beginning of the year	1,10,80,705
Add: Shares issued during the year	
On Amalgamation (refer note 28)	1,01,25,360
Preferential allotment	39,42,407
Equity shares at the end of the year	**2,51,48,472**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per equity share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders. Dividend declared towards equity shares will be subject to the approval of shareholders in the Annual General Meeting.

c) For the year ended March 31, 2018, the Company has proposed final dividend @ Rs 7 per equity share to the equity shareholders subject to the approval of shareholder at the ensuing Annual General Meeting.

d) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2018	
	% of Holding	Number of shares
Wadhawan Global Capital Ltd (Holding Company)	69.98%	1,75,97,715
Dewan Housing Finance Corporation Ltd	9.15%	23,01,090
International Finance Corporation (IFC Washington)	16.91%	42,53,389

4. Reserves and surplus

(Rs in Lakh)

Particulars	As at March 31, 2018
Capital reserve on amalgamation	
Balance at the beginning of the year	-
Add: Addition during the year	6
Balance at the end of the year	**6**
Securities premium	
Balance at the beginning of the year	1,304
Add: Premium on equity shares to be issued on amalgamation (refer note 28)	28,503
Add: Premium on preferential allotment of equity shares	11,106
Balance at the end of the year	**40,913**
Statutory reserve (Special reserve as per Section 29C of National Housing Bank Act, 1987 and Special reserve as per Section 36(1)(viii) of the Income Tax Act, 1961) (refer note below)	
Balance at the beginning of the year	7,095
Add : Transferred from Statement of Profit and Loss	2,814
Add : Transferred on amalgamation (refer note 28)	1,029
Add : Transferred from Statement of Profit and Loss due to amalgamation for the year ended March 31, 2017	1,230
Balance at the end of the year	**12,168**
General Reserve	
Balance at the beginning of the year	2,267
Balance at the end of the year	**2,267**
Surplus in Statement of Profit and Loss:	
Balance at the beginning of the year	3,599
Add : Profit for the year	9,962
Add : Addition due to amalgamation for the year ended March 31, 2017	2,587
Less : Appropriations :	
Special reserve	2,814
Reduction due to amalgamation for the year ended March 31, 2017 - Transferred to Special reserve	1,230
Reduction due to amalgamation for the year ended March 31, 2017 - Deferred tax liability on opening special reserve U/s 36(1)(viii) of Income Tax Act, 1961	24
Balance at the end of the year	**12,080**
Total	**67,434**

4. **Reserves and surplus (Continued..)**

a) The Board of Directors, at the meeting held on April 24, 2018 has proposed a final dividend of Rs 7/- per equity share aggregating to Rs 2,119 Lakh, inclusive of tax on dividend. The proposal is subject to the approval of the shareholders at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4-Contingencies and Events Occurring after the Balance Sheet date as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Company has not appropriated proposed dividend from Statement of Profit and Loss for the year ended March 31, 2018.

b) Statement for Disclosure on Statutory / Special Reserves, as prescribed by National Housing Bank (NHB) vide its circular no NHB(ND)/DRS/Pol.Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017.

(Rs in Lakh)

Particulars	As at March 31, 2018
Balance at the beginning of the year	
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	543
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	6,552
c) Total	**7,095**
Transferred on amalgamation (refer note 28)	
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	61
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	968
c) 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 for the year ended March 31, 2017	1,230
d) Total	**2,259**
Addition during the year	
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	104
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	2,710
c) Total	**2,814**
Utilised during the year	
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-
c) Total	**-**
Balance at the end of the year	
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708
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	11,460
c) Total	**12,168**

5. **Long term borrowings** (Rs in Lakh)

Particulars	Non-Current Portion	Current Portion
	As at March 31, 2018	As at March 31, 2018
Secured		
Redeemable non convertible debentures	92,640	10,000
Term loan from banks	3,63,357	66,960
Term loan from National Housing Bank	40,997	5,384
Total secured long term borrowings	**4,96,994**	**82,344**
Unsecured		
Redeemable Non convertible debentures	8,400	-
Deposit		
Fixed deposit	5,094	3,072
Total unsecured long term borrowings	**13,494**	**3,072**
Total	**5,10,488**	**85,416**
Current Portion of above liability is disclosed under the head “other current liabilities”. (Refer Note 10)		**(85,416)**
Net Amount	**5,10,488**	**-**

5.1 Company has raised Rs. 48,500 Lakh from Secured Redeemable Non Convertible Debentures (NCDs) during the year. NCDs are long term and are secured by way of jointly ranking pari passu inter-se first charge, along with NHB and other banks, on the Company’s book debts, housing loans and on a specific immovable asset of the Company . NCDs including current maturities are redeemable at par on various periods.

5.2 The secured term loans from all other banks are availed from various scheduled banks. These loans are repayable as per the individual contracted terms in one or more instalments between April 2018 and March 2033. These loans (current and non-current portion) are secured / to be secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company’s book debts, housing loans and the whole of the present and future movable assets of the Company as applicable.

5.3. Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more instalments between April 2018 and September 2028. These loans from National Housing Bank (current and non-current portion) are secured / to be secured by way of first charge to and in favour of NHB, other banks and NCD holders and jointly ranking pari passu inter-se, on the Company’s book debts, housing loans and the whole of the present and future movable and immovable assets wherever situated excluding SLR assets (read with note no.5.6 hereinafter) and are also guaranteed by some of the promoters and promoter director.

5. Long term borrowings *(Continued..)*

5.4 Unsecured Redeemable Non-Convertible Debentures aggregating Rs 8,400 Lakh, outstanding as at March 31, 2018, are subordinated to present and future senior indebtedness of the Company. These Unsecured Redeemable Non-Convertible Debentures qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods.

5.5 Fixed Deposits, including short term fixed deposits are repayable as per individual contracted maturities ranging between 12 months to 120 months from the date of deposit. The interest is payable on contracted terms depending upon the scheme opted by the depositor.

5.6 The National Housing Bank Directives requires all HFCs, accepting public deposits, to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a Trust Deed. The Company has accordingly appointed SEBI approved Trustee Company as a Trustee for the above by executing a trust deed.
The public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

5.7 Department of Company Affairs with reference to the General Circular No. 4/2003 vide G.S.R. 413 (E) dated 18.06.2014, had clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures.

5.8 Maturity pattern of long term borrowings : (Rs in Lakh)

Particulars	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured				
Redeemable Non convertible debentures (8.30% to 10.75%)	56,900	20,450	25,290	1,02,640
Term loan from banks (Linked with MCLR/Base Rate of respective banks)	2,17,627	1,14,752	97,938	4,30,317
Loan from National Housing Bank (4.86% to 9.75%)	17,067	11,159	18,155	46,381
Unsecured				
Redeemable Non convertible debentures (9.75% to 10.00%)	-	1,800	6,600	8,400
Fixed deposit (8.25% to 11%)	7,175	866	125	8,166
Total	**2,98,769**	**1,49,027**	**1,48,108**	**5,95,904**

6. Deferred tax liabilities net (Rs in Lakh)

Particulars	As at March 31, 2018
A. Deferred tax liabilities	
Deferred tax liability on special reserve	3,882
On difference between book balance and tax balance of assets	75
	3,957
B. Deferred Tax Assets	
On account of provision for contingency	1,872
On account of provision for employee benefits	103
Others	181
	2,156
Deferred tax liabilities net (A-B)	**1,801**

7. Long term provisions (Rs in Lakh)

Particulars	As at March 31, 2018
Provision for contingencies (refer note 7.1 and 7.2)	
On standard assets	2,635
On non performing assets	2,603
Provision for employee benefits	
Provision for gratuity	8
Provision for compensated absences	423
Total	**5,669**

7. Long term provisions *(Continued..)*

7.1 Provision for non Performing housing and property loans

Provision in respect of standard, sub standard, doubtful and loss assets (read with note no.14) are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank and are as follows:

(Rs in Lakh)

Particulars	As at March 31, 2018	
	Portfolio	Provisions
Standard assets		
Housing loans	5,87,040	1,632
Other property loans	1,39,816	1,003
	7,26,856	2,635
Sub standard Assets		
Housing loans	3,790	766
Other property loans	318	71
	4,108	838
Doubtful assets		
Housing loans	3,872	1,514
Other property loans	391	209
	4,263	1,723
Loss assets		
Housing loans	43	43
Other property loans	-	-
	43	43
Total	**7,35,270**	**5,239**
Summary		
Housing loans	5,94,745	3,955
Other property loans	1,40,525	1,283
Total	**7,35,270**	**5,238**

7.2 Movement of provision for contingencies :

(Rs in Lakh)

Particulars	Standard Assets	Non Performing Assets
	As at March 31, 2018	As at March 31, 2018
Balance at the beginning of the year	793	818
Add: Provision during the year	913	1,061
Add: Transferred on amalgamation	1,179	760
Less: Utilised during the year	250	36
Balance at the end of the year	2,635	2,603

8. Short term borrowings

(Rs in Lakh)

Particulars	As at March 31, 2018
Secured	
Loan repayable on demand from banks	2,539
Unsecured	
Commercial paper (net of unamortised discount of Rs. 429 Lakh	32,071
Inter-corporate deposit	2,500
Total	**37,110**

8.1. Loans repayable on demand comprises of Cash credit facilities from banks and are secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable. All cash credit facilities are repayable as per the contracted / rollover term.

8.2 Commercial papers of the Company have a maturity value of Rs 32,500 Lakh. Yield on commercial paper varies between 7.20% to 7.90%.

9. Trade payables

(Rs in Lakh)

Particulars	As at March 31, 2018
a) Total outstanding dues to micro enterprises and small enterprises	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	
Payable to service providers	1,382
Total	**1,382**

There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during / for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

10. Other current liabilities (Rs in Lakh)

Particulars	As at March 31, 2018
Current maturities of long-term borrowing (refer note 5)	85,416
Interest accrued but not due - fixed deposit	66
Interest accrued but not due - other borrowings	6,072
Unclaimed dividend	6
Unclaimed matured deposits and interest accrued thereon	235
Others	
Book overdraft	59,075
Advance from customers	355
Statutory remittances	501
Amount payable under securitisation/ joint syndication transaction	1,795
Other current liabilities	2,571
Total	**1,56,092**

10.1 The Company has transferred a sum of 0.38 Lakh during the year March 31, 2018 being Unclaimed Dividend to Investor Education and Protection Fund under section 124 of the Companies Act, 2013 .

11. Short term provisions (Rs in Lakh)

Particulars	As at March 31, 2018
Others	
Provision for Income tax (net of advance tax)	347
Total	**347**

12. Fixed Assets:

(Rs Lakh)

Particulars of Assets	Gross Block at Cost					Accumulated Depreciation				Net Block	
	As at April 1, 2017	Acquired on Amalgamation	Additions	Disposal / adjustment	As at March 31, 2018	Up to April 1, 2017	Depreciation for the year	Deduction / adjustment	Upto March 31, 2018	As on March 31, 2018	As on March 31, 2017
Tangible Assets :											
Freehold Land	20	7	-	-	27	-	-	-	-	27	20
Building - Owned	-	13	-	-	13	-	-	-	-	13	-
Furniture & Fixture	200	697	233	-	1,130	119	105	-	224	906	81
Office Equipments	114	228	106	-	448	71	55	-	126	322	43
Vehicles	26	1	36	23	40	6	5	6	5	35	20
Computer	234	284	345	2	861	160	174	-	334	527	74
Sub Total	594	1,230	720	25	1,289	356	339	6	689	1,830	238
Intangible Assets :											
Software	69	43	56	-	168	61	24	-	85	83	8
Sub Total	69	43	56	-	168	61	24	-	85	83	8
Total (As at March 31, 2018)	663	1,273	776	25	2,687	417	363	6	774	1,913	246

13. Non current investments (Rs in Lakh)

Particulars	As at March 31, 2018
Investment in quoted equity instruments	
Reliance Power Limited (222 Equity Shares of Face value of Rs 10 each)	1
Capital First Limited (172 Equity Shares of Face value of Rs 10 each)	1
Mangalore Refinery and Petrochemical Limited (3000 Equity Shares of Face value of Rs 10 each)	3
	5
Investment in quoted Bonds (Government Securities)	
6.57% GOI Bonds 2033 (Nos : 5,00,000 Face Value of Rs 100/- each)	480
	480
Total investments	485
Less : Provision for diminution in the value of investment	(14)
Total	**471**
Aggregate book value of quoted investments	485
Aggregate book value of unquoted investments	-
Market value of quoted investments	471

13.1 Investment in government securities aggregating to Rs 480 Lakh carry a floating charge in favour of depositors of fixed deposits read with note no 5.6.

13.2 Movement of provision for diminution in the value of investment (Rs in Lakh)

Particulars	As at March 31, 2018
Balance at the beginning of the year	-
Add: Provision during the year	14
Less: Utilised / reversed during the year	-
Balance at the end of the year	**14**

14. Housing and property loans (Rs in Lakh)

Particulars	Non-Current Portion	Current Portion
	As at March 31, 2018	As at March 31, 2018
Secured		
Housing loans		
Standard loans	6,15,649	30,662
Sub-Standard loans	3,790	-
Doubtful loans	3,872	-
Loss assets	43	-
Total Housing Loans	**6,23,354**	**30,662**
Less : Assigned Portion of Housing Loans	58,320	1,624
Net Housing loans	**5,65,034**	**29,038**
Other property loan		
Standard loans	1,34,099	7,088
Sub-Standard loans	318	-
Doubtful loans	391	-
Loss assets	-	-
Total Other Property Loans	**1,34,808**	**7,088**
Less : Assigned Portion of Property Loans	1,334	37
Net Property Loans	**1,33,474**	**7,051**
Other loans		
Loan given to Dewan Housing Finance Corporation Limited under joint syndication for project Loan	617	56
	617	**56**
Total Loan Book	**6,99,125**	**36,145**
Summary:		
Housing loans	6,23,354	30,662
Other property loan	1,34,808	7,088
Total Housing and Property Loans under Company’s management	**7,58,162**	**37,750**
Add : Other loans	617	56
Less : Assigned Portion of Housing Loans and Property Loans	59,654	1,661
Total Housing and Property Loans	**6,99,125**	**36,145**

14. Housing and property loans *(Continued..)*

14.1 Loans granted by the company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or undertaking to create a security and/or assignment of Life Insurance Policies and/or personal guarantees and/or hypothecation of assets and are considered appropriate and good.

14.2 Composite loans sanctioned (i.e. loans allowed for purchase of plot and self construction of house) on or before March 31, 2015 in which construction has not started till March 31, 2018 , as per information available with the Company, is excluded from the housing loan and regrouped under other property loans in above outstanding as on March 31, 2018 aggregating to Rs. 2,164 Lakh.

14.3 Property loans consists of non housing loans such as mortgage loans, commercial loans, plot loans and lease rental finance and other loans which are all against real estate properties and which are not covered under the housing loan criteria of NHB.

14.4 Housing loan (Current and non current) includes Rs 1,085 Lakh given to employees of the Company under the staff loan.

14.5 Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Property Loans. The Insurance portion amounting to Rs 29,623 lakh helps in mitigating the risk and secures the Company's Loan portfolio against any eventuality.

14.6 Total Housing and Property Loans include Rs 474 Lakh on account of principal portion of EMI receivable / due for more than 90 days.

14.7 The Company has entered into a loan syndication agreement with Dewan Housing Finance Corporation Ltd (DHFL)to provide housing and property loans to borrowers wherein DHFL originates loan files through its branches and get it processed under common credit norms. Aadhar Housing Finance Ltd have agreed to participate in some of the loan disbursed by DHFL under the loan syndication agreement,

14.8 The Company has assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates Rs 61,315 Lakh. These assets have been de-recognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said assignment agreements, The Company pays to buyer/investor on monthly basis the prorata collection amount as per individual agreement terms.

14.9 Detail of Assignment transactions undertaken during the year: (Rs in Lakh)

	Particulars	As at March 31, 2018
1	No of accounts / pools	3
2	Aggregate value (Net of Provisions) of accounts assigned	35,341
3	Aggregate consideration	35,341

14.10 The Company has complied with norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognizing Non- Performing Assets in preparation of accounts. The Company has made adequate provision on Non-performing Assets as prescribed under Housing Finance Companies (NHB) Directions 2010.

The Company has made provision on outstanding standard loans as prescribed under Housing Finance Companies (NHB) Directions 2010 and Notifications as amended from time to time.

15. Other long term loans and advances (Rs in Lakh)

Particulars	As at March 31, 2018
Unsecured and considered good unless stated otherwise	
Security deposits	365
Prepaid expenses	1,074
Income tax paid in advance (net of provisions)	217
Capital advance	177
Total	**1,833**

16. Other non current assets (Rs in Lakh)

Particulars	As at March 31, 2018
Bank balance in deposit account maturity date more than twelve months (refer note 19.1)	135
Total	**135**

17. Current investments (At cost or market value whichever is lower) (Rs in Lakh)

Particulars	As at March 31, 2018
Investment in quoted mutual funds	
Units 115682.565 HSBC Cash Fund	2,000
Units 80701.305 IDBI Liquid Fund	1,500
Units 83711.913 Invesco India Liquid Fund	2,000
Units 52291.943 Peerless Liquid Fund	1,000
Units 124997.281 BOI AXA Liquid Fund	2,500
Units 84030.277 L&T Mutual Fund - Liquid Fund	2,000
Units 47665.475 LIC Mutual Fund - Liquid Fund	1,500
Units 88983.742 M & M Liquid Find - Direct Growth	1,000
Units 54607.458 Mirea Assets Cash Management Fund - Direct Growth	1,000
Units 118258.287 Principal Cash Management Fund - Direct Growth	2,000
Units 35431.482 Reliance Liquid Fund Treasure Plan - Direct Growth	1,500
Units 52129.115 SBI Magnum Insta Cash Plus Fund - Direct Growth	2,000
	20,000
Current maturity of Non Current Investments	
Investment in quoted Bonds (Government Securities)	
6.05% GOI Bonds 2019 Face Value of Rs 100/- each)	483
	483
Total	**20,483**
Aggregate book value of quoted investments	20,483
Aggregate book value of unquoted investments	-
Market value of quoted investments	20,507

17.1 Current Maturity of Investment in government securities aggregating to Rs 483 Lakh carry a floating charge in favour of depositors of fixed deposits read with note no 5.6.

18. Trade Receivables (Rs in Lakh)

Particulars	As at March 31, 2018
Secured and considered good	
Less than six months	
EMI / PEMI receivable due for less than 90 days	1,067
Other receivables	264
Total	**1,331**

19. Cash and bank balances (Rs in Lakh)

Particulars	As at March 31, 2018
Cash and cash equivalents	
Cash on hand	636
Balances with banks	
-in current accounts	13,276
-in deposits accounts with original maturity of less than 3 months	5,000
Total cash and cash equivalents	18,912
Other bank balances	
Fixed deposits less than 12 months maturity	796
Fixed deposits more than 12 months maturity	135
	931
Less :Fixed deposits more than 12 months maturity (refer note 16)	(135)
Total other bank balances	796
Total	**19,708**

19.1 Bank balance in deposit account maturity less than twelve months and more than twelve months to the extent of Rs 293 Lakh carry a floating charge in favour of depositors of Fixed Deposits read with note no 5.6.

20. Short term loans and advances (Rs in Lakh)

Particulars	As at March 31, 2018
Unsecured and considered good unless stated otherwise	
Receivable from related parties	
Other dues from related parties	20
Inter-corporate deposit	300
Less : Provision for diminution in the value of inter-corporate deposit	(300)
	-
Others	
Loans to employees	12
Prepaid expenses	494
Advance for expenses	55
Total	**581**

21. Other current assets (Rs in Lakh)

Particulars	As at March 31, 2018
Asset held for sale (refer note 21.1)	1,017
Interest accrued on investments	96
Total	**1,113**

21.1. Asset held for sale consists of properties purchased by the Company in auction under SARFAESI Act being non banking asset.

22. Revenue from operations (Rs in Lakh)

Particulars	For the year ended March 31, 2018
Interest income	
Interest on housing and property loans	70,536
Interest on fixed deposits	171
Interest on government bonds	68
Other interest	5
	70,780
Revenue from other financial services	
Loan processing fee	6,168
Other loan related charges	1,681
	7,849
Intermediary services	628
Other operational treasury income (net)	
Profit on sale of investments in mutual funds and other investments	1,462
	1,462
Total	**80,719**

22.1 Revenue from other financial services is net of the amount paid / payable towards Business Sourcing and related expenses amounting to Rs. 1,577 Lakh.

22.2 The Company has de-recognized total interest income on Non Performing Assets upto March 31, 2018 of Rs 1,621 Lakh in accordance with the requirement of the National Housing Bank.

23. Other income (Rs in Lakh)

Particulars	For the year ended March 31, 2018
Miscellaneous income	12
Total	**12**

24. Finance costs (Rs in Lakh)

Particulars	For the year ended March 31, 2018
Interest on term loans	31,896
Interest on fixed deposits	740
Interest on non convertible debentures	9,150
Interest on others	3,564
Finance charges	851
Total	**46,201**

25. Employee benefits expense

(Rs in Lakh)

Particulars	For the year ended March 31, 2018
Salaries, bonus and other allowances	9,447
Contribution to provident fund and other funds	1,025
Staff welfare expenses	289
Total	**10,761**

26. Admin and other expenses

(Rs in Lakh)

Particulars	For the year ended March 31, 2018
Rent	806
Rates and taxes	4
Travelling expenses	997
Printing and stationery	256
Advertisement and business promotion	573
Insurance	268
Legal and professional charges	525
Auditors remuneration (refer note below 26.2)	66
Postage, telephone and other communication expenses	431
General repairs and maintenance	138
Bad-debts written off (net of utilised from Provision Rs. 286 Lakh)	332
Electricity charges	189
Directors sitting fees and commission	47
Corporate social responsibility expenses (refer note below 26.1)	23
Goods and service tax /service tax expenses	509
Other expenses	364
Total	**5,528**

26.1 a) The gross amount required to be spent by group during the year is Rs 110 Lakh .
b) Amount mentioned above were paid in cash during the respective financial year and were incurred for the purpose other than construction / acquisition of any asset.

26.2 Details of auditors remuneration :

(Rs in Lakh)

Particulars	For the year ended March 31, 2018
Audit fees	58
Tax audit fees	8
Total	66

26.3 Directors sitting fees and commission includes Rs. 15 Lakh of commission which will be paid after the financial statements for FY 2018 are adopted by the Members of the Company at the ensuing Annual General Meeting.

27. Earnings per share

The following is the computation of earnings per share on basic and diluted earnings per equity share:

Particulars	For the year ended March 31, 2018
Net profit after tax attributable to equity shareholders (Rs. In Lakh)	9,963
Weighted average number of equity shares outstanding during the year (Nos)	2,14,65,292
Add: Effect of potential issue of shares/ stock options *	-
Weighted average number of equity shares outstanding during the year and potential shares outstanding (Nos)	2,14,65,292
Face value per equity share (Rs.)	10
Basic earnings per equity share of Rs 10/- each	46.41
Diluted earnings per equity share of Rs 10/- each	46.41

* not considered when anti-dilutive

28. Amalgamation

In terms of the Scheme of Amalgamation ("the Scheme"), approved by the National Company Law Tribunal ("NCLT") on October 27, 2017, with an appointed date of April 01, 2016 and an effective date of November 20, 2017 ('the Effective Date'), being the date on which all the requirement of Companies Act, 2013 were completed, Aadhar Housing Finance Limited (the "Transferor Company") has been amalgamated with the Company ("Transferee Company"). Upon the amalgamation, the undertaking and the entire business, including all assets and liabilities of erstwhile Aadhar Housing Finance Limited stand transferred to and vested in the Transferee Company. The amalgamation has been accounted under "Purchase Method" as envisaged in the Scheme and Accounting Standard (AS) – 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets and liabilities taken over on amalgamation of the Transferor Company are fair valued as on the appointed date. Further, in consideration, the Company has issued equity shares in accordance with the approved swap ratio to the shareholders of the Transferor Company. These shares are fair valued for the purpose of recording in the books of account (capital and share premium) based on the equity valuation considered in arriving at the swap ratio by an independent firm of Chartered Accountants.

As per the Scheme, the name of DHFL Vysya Housing Finance Limited changed to Aadhar Housing Finance Limited, the name of Transferor Company.

i. Details of the fair value of assets and liabilities as at April 01, 2016 acquired on amalgamation and treatment of the difference between the fair value of net assets acquired is as under:

Particulars	Rs. in Lakh
Fixed assets	861
Housing and other loans	1,93,540
Investments	1,950
Cash and bank balances	10,909
Trade receivables	362
Loans and Advances	136
Other assets	1,163
Deferred tax assets (net)	242
Total assets (A)	**2,09,163**
Borrowings	1,45,316
Provisions	1,959
Other liabilities	36,205
Total liabilities (B)	**1,83,469**
Net assets (C=A-B)	**25,683**
Liabilities recorded towards merger expenses (including provision on standard assets)(D)	133
Net assets accounted on amalgamation (E=C-D)	**25,550**
Fair value of 84,03,362 equity shares at Rs 291.5 each to be issued to the equity shareholders of Transferor Company as at April 01, 2016 **(F)**	24,495
Amalgamation adjustment reserve (to the extent of Statutory reserve) **(G)**	1,029
Capital reserve on amalgamation (I = E-F-G)	**26**
Accounted as	
Pending issue of 84,03,362 equity shares at Rs 10, the same has been credited to share capital suspense account. These have been considered for the purpose of EPS calculation.	840
Securities premium on 84,03,362 equity shares at Rs 10 at fair value per share Rs. 291.50/-.	23,655
Amalgamation adjustment reserve	1,029
Capital reserve on amalgamation	26
Total	**25,550**

In addition, the Transferor Company had issued shares of Rs. 5,000 lakh in December 2016. As per the Order, the Transferee Company has issued 17,22,000 equity shares of Rs 10 each at fair value per share Rs. 291.50/- aggregating to Rs 5,020 lakh against these shares. Thus the capital reserve on this issue is adjusted against the above Capital reserve on amalgamation resulting in a net capital reserve of Rs. 6 lakh.

The fair value surplus arising on the amalgamation amounting to Rs 12,400 lakh is being amortised over a period of eight years being the fair estimate of the enduring benefits. Accordingly the charge for the year ended March 31, 2018 is Rs 1,550 lakh (Rs 1,550 lakh for the year ended March 31, 2017, debited to opening reserves) is debited to the Statement of Profit and Loss.

As the scheme has become effective from 20th November, 2017, the figures for the current year includes the operations of both the Transferor Company and Transferee Company. The profit for the year ended March 31, 2017 amounting to Rs. 2,587 Lakh has been adjusted to the opening reserves. Accordingly, the current year's figures are not strictly comparable to that of the previous year.

29. Contingent liabilities

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018
Income tax matters of earlier years	127

The aforementioned contingent liabilities towards income tax have been paid under protest.

30. Commitments

30.1 Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2018 Rs. 100 Lakh.

30.2 Undisbursed amount of loans sanctioned and partly disbursed as at March 31, 2018 Rs. 49,058 Lakh.

31. Operating lease

The Company is obligated under non-cancellable leases for office space that are renewable on a periodic basis at the option of both lessor and lessee.

Future minimum lease payments under non-cancellable operating leases are as follows :

(Rs. in Lakh)

Particulars	As at March 31, 2018
Not later than 1 Year	348
Later than 1 Year and not later than 5 years	865
More than 5 Years	345

32. Segment reporting

The Company is engaged in the Housing Finance business - Financial Services and all other activities are incidental to the main business activity, and have its operations within India. Accordingly there are no separate reportable segments as per Accounting Standard 17 (AS-17) " Segment Reporting".

33. Employee benefits

33.1 The company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018
Contribution to provident fund	220
Contribution to pension fund	154
Contribution to ESIC	57

33.2 The company provides gratuity and leave encashment benefits to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the funded status of the Gratuity and Compensated Absences benefit scheme and the amount recognised in the Financial Statements:

i. Changes in Defined Benefit Obligation

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018	
	Gratuity	Compensated absences
Liability at the beginning of the year	104	163
Acquired on amalgamation	119	347
Current service cost	75	165
Interest cost	15	34
Plan Amendment Cost	24	-
Actuarial (gain) /losses	98	166
Benefits paid	(20)	(85)
Liability at the end of the year	415	790

ii. Changes in Fair Value of Plan Assets

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018	
	Gratuity	Compensated Absences
Plan Assets at the beginning of the year	105	-
Acquired on amalgamation	117	248
Expected return on plan assets	23	24
Actuarial Gain/(Loss)	(10)	(1)
Employer Contribution	176	96
Benefits Paid	(4)	-
Plan Assets at the end of the year	407	367

iii. Reconciliation of Fair Value of Assets and Obligations

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018	
	Gratuity	Compensated Absences
Fair value of Plan Assets at the end of the year	407	367
Present Value of Obligation	415	790
Amount Recognised in Balance Sheet	(8)	(423)

iv. Expenses recognized in Statement Profit and Loss

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018	
	Gratuity	Compensated Absences
Current Service Cost	75	165
Interest Cost	15	34
Expected Return on Plan Assets	(23)	(24)
Net Actuarial (Gain)/ loss to be recognized	108	167
Plan Amendment cost / Direct Payment	25	21
Expenses recognized in the profit and loss account under employee expenses	175	343

v. Actuarial Assumptions

Particulars	For the year ended March 31, 2018	
	Gratuity	Compensated Absences
Mortality Table	(Ultimate)	(Ultimate)
Discount Rate	7.6%	7.6%
Expected rate of return on plan asset (per annum)	7.5%	7.5%
Salary Escalation Rate	8%	8%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary.

The expected rate of return on plan asset is determined considering several applicable factors , mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Company's policy for plan assets management.

vi. Amount recognised in current year and previous year

(Rs. in Lakh)

Gratuity :

Particulars	For the year ended March 31, 2018
Defined benefit obligation	415
Fair value of plan asset	407
(Surplus)/ Deficit in the plan	8
Actuarial (gain)/loss on plan obligation	98
Actuarial gain/(loss) on plan asset	(10)

Compensated Absences :

Particulars	For the year ended March 31, 2018
Defined benefit obligation	795
Fair value of plan asset	367
(Surplus)/ Deficit in the plan	428
Actuarial (gain)/loss on plan obligation	135
Actuarial gain/(loss) on plan asset	1

34. Employee stock option plan

Employee Stock Appreciation Rights Plan 2018 (“ESAR 2018” / “Plan”)

During the year, the Company has approved the ESAR 2018, which covers eligible employees of the Company. The scheme was approved by the shareholders of the company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on March 26, 2018.

ESAR 2018 plan will be effective from April 1, 2018.

35. Foreign currency transactions

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018
Foreign business travel	4
Directors sitting fees (IFC)	3
Total	**7**

36. Related party transactions

List of related parties with whom transactions have taken place during the year and relationship:

S.No	Relationship	Name of Related Party
1.	Holding Company	Wadhawan Global Capital Limited (Formerly Known as Wadhawan Global Capital Private Limited)
2.	Enterprise having Significant Control	International Finance Corporation (Washington)
3.	Wholly Owned Subsidiary	Aadhar Sales and Service Private Limited
4.	Associate Companies	Dewan Housing Finance Corporation Limited
5.	Other Group Companies	DHFL Pramerica Life Insurance Company Limited
		DHFL General Insurance Limited
		DHFL Sales and Services Private Limited
		DHFL Pramerica Asset Manager
		Avanse Financial Services Limited
6.	Key Management Personal	Kapil Wadhawan – Chairman and Director
		Deo Shankar Tripathi - Managing Director and CEO (w.e.f 21-11-2017)
		Shri. R Nambirajan Managing Director (upto 02-07-2017)

Transactions with Related Parties:

(Rs. in Lakh)

Name	Particulars	For the year ended March 31, 2018
Income :		
DHFL Pramerica Life Insurance Company Limited	Intermediary Services	254
DHFL General Insurance Limited	Intermediary Services	283
Dewan Housing Finance Corporation Limited	Other Income	1
Expenditure:		
Dewan Housing Finance Corporation Limited	Services	83
Dewan Housing Finance Corporation Limited	Rent	152
Dewan Housing Finance Corporation Limited	Legal and Professional Fees	6
DHFL Pramerica Life Insurance Company Limited	Insurance Premium	6
Deo Shankar Tripathi – Managing Director and CEO	Remuneration	191
Shri. R Nambirajan	Remuneration	38
Dividend Payment :		
Wadhawan Global Capital Private Limited	Dividend Payment	651
Dewan Housing Finance Corporation Limited	Dividend Payment	73
Others :		
Wadhawan Global Capital Limited	Proceeds received on allotment of Equity Shares	5,000
International Finance Corporation	Proceeds received on allotment of Equity Shares	6,500

Balances with Related Parties:

(Rs. in Lakh)

Name	Particulars	As at March 31, 2018
Dewan Housing Finance Corporation Limited	Receivable	20
Dewan Housing Finance Corporation Limited	Payable	105
Dewan Housing Finance Corporation Limited	Deposit	16
DHFL Pramerica Life Insurance Company Limited	Receivable	71
DHFL Pramerica Life Insurance Company Limited	Deposit	22
DHFL General Insurance Limited	Receivable	168
DHFL General Insurance Limited	Deposit	20

37. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Reformatted Consolidated Financial Statements to Schedule III to the Companies Act.

Name of the entity in the	Net assets i.e. Total Assets minus Total Liabilities		Share of profit / (loss)	
	As % of consolidated net assets	Amount (Rs in Lakh) As at March 31, 2018	As % of Share of profit	Amount (Rs in Lakh) As at March 31, 2018
Parent				
Aadhar Housing Finance Limited	99.92%	69,893	109.25%	10,885
Direct Subsidiary				
Aadhar Sales and Services Private Limited	0.08%	58	(9.25%)	(922)

Significant accounting policies and notes to the accounts to the reformatted consolidated financial statements

38. The reformatted consolidated financial statements consists of period for the year ended March 31, 2018 and as at March 31, 2018 considering subsidiary company is incorporated during the financial year 2017-18, hence comparable for the previous year are not available.

For Chaturvedi SK & Fellows Chartered Accountants ICAI FRN:112627W	For Deloitte Haskins & Sells LLP Chartered Accountants ICAI FRN : 117366W/W-100018	For and on behalf of the Board of Directors	
		Deo Shankar Tripathi Managing Director & CEO DIN 07153794	Suresh Mahalingam Director DIN 01781730
Srikant Chaturvedi Partner ICAI MN: 070019	G.K Subramaniam Partner ICAI M N : 109839	G. P. Kohli Director DIN 00230388	Anmol Gupta Chief Financial Officer
Place: Mumbai Dated: July 6, 2018	Place: Mumbai Dated: July 6, 2018	Srikant V.N. Company Secretary	

ACCOUNTING RATIO STATEMENT ON CONSOLIDATED BASIS

Particulars	For the year ended March 31, 2018
Earnings Per Share : (In Rs.)	
-Basic	46.41
-Diluted	46.41
Return on Equity (In %)	28%
Book Value Per Equity Share (In Rs.)	278.14
Debt/Equity Ratio (In Times)	9.05

Notes :

1 Earnings per share = Profit after tax/ Equity Share outstanding at the end of year

2 Return on Equity = (Profit after tax + Provision for Contingencies) / Average Net worth

3 Book Value Per Equity Share = Net worth/Number of Equity Shares outstanding at the end of year

4 Debt/Equity Ratio = Total Debt outstanding at the end of year / Net worth

CAPITALISATION STATEMENT ON CONSOLIDATED BASIS AS AT MARCH 31, 2018

(Rs in Lakh)

Particulars	Prior to the Issue (as of March 31, 2018)	Increase pursuant to the Issue	Post-Issue [1]
Debt			
Short term debt [2]	37,345	-	37,345
Long term debt [3]	5,95,904	3,00,000	8,95,904
Total debt	**6,33,249**	**3,00,000**	**9,33,249**
Shareholders Fund			
Share capital	2,515	-	2,515
Reserves and surplus excluding revaluation reserve	67,428	-	67,428
Total shareholders' funds	**69,943**	**-**	**69,943**
Long term debt/ equity (In times)[4]	8.52		12.81
Total debt/ equity (In times)[3]	9.05		13.34

Notes :

1 The debt-equity ratio post the Issue is indicative on account of the assumed inflow of Rs. 300,000 lakhs from the proposed Issue in the secured debt category as on March 31, 2018 only. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

2 Short term debt = Short term borrowings + Unclaimed Matured Deposits and Interest Accrued thereon

3 Long term debt = Long term borrowings + Current Maturities of Long term borrowings

4 Long term debt/equity = Total Long Term Debt outstanding at the end of year / Networth

5 Total debt/equity = Total Debt outstanding at the end of year / Networth

STATE MENT OF DIVIDEND - CONSOLIDATED

(Rs in Lakh except per share data)

Particulars	For the year ended March 31, 2018
Equity Share Capital	2,515
Face Value Per Share	10
Interim Dividend on Equity	-
Final Dividend on Equity Shares*	-
Total Dividend on Equity Shares*	-
Dividend Rate (In %)	0%
Dividend Distribution Tax	-

* Proposed Final Dividend Rs. 7/- aggregating to Rs 2,119 Lakh, inclusive of tax on dividend in Board Meeting held on April 24, 2018, subject to shareholders approval in ensuing AGM

REPORT OF THE INDEPENDENT JOINT AUDITORS ON THE REFORMATTED FINANCIAL STATEMENTS

To the Board of Directors of
Aadhar Housing Finance Limited
(Formerly known as "DHFL Vysya Housing Finance Limited")

Report on the Reformatted Standalone Financial Statements

1) The accompanying Reformatted Standalone Financial Statements of **Aadhar Housing Finance Limited (Formerly known as "DHFL Vysya Housing Finance Limited")** (the "Company"), which comprise the Reformatted Standalone Statements of Assets and Liabilities as at March 31, 2018, 2017, 2016, 2015 and 2014, and also the Reformatted Standalone Statements of Profit and Loss and the Reformatted Standalone Cash Flow Statements for the years ended March 31, 2018, 2017, 2016, 2015 and 2014, and a summary of the significant accounting policies and other explanatory information (together comprising the "**Reformatted Standalone Financial Statements**") are derived from the audited standalone financial statements (the "Audited Standalone Financial Statements") of the Company for the respective years audited by us/previous auditor as detailed in paragraph 3(a) to 3(b) below.

2) The Reformatted Standalone Financial Statements have been prepared by the Management of the Company on the basis of Note 2.1 to the Reformatted Standalone Financial Statements and have been approved by the Board of Directors.

3) (a) We expressed our opinion on the Audited Standalone Financial Statements of the Company for the year ended March 31, 2018 vide our report dated April 24, 2018

   (b) The Standalone Financial Statements of the Company for the financial years ended March 31, 2017, 2016, 2015 and March 31, 2014 were audited by the previous auditors, B.M. Chaturvedi & Co., on which they have expressed their opinion vide their reports dated April 28, 2017, May 03, 2016, April 28, 2015 and April 28, 2014 respectively. In relation to the aforesaid standalone financial statement audited by the previous auditor, we have not carried out any audit tests or review procedures, and, accordingly reliance has been placed on the standalone financial statements audited by the previous auditor for the said year and the audit report thereon.

4) The previous auditor has issued a report on reformatted standalone financial statements dated July 06, 2018 for the years ended March 31, 2017, 2016, 2015 and 2014. Our reporting on these years, i.e. March 31, 2017, 2016, 2015 and 2014 are solely based on the report submitted by previous auditor on which we have placed reliance.

5) The Reformatted Standalone Financial Statements as at and for the years ended March 31, 2017, 2016, 2015, and 2014 reported upon by previous auditor on which reliance has been placed by us, have been regrouped/ reclassified wherever necessary to correspond with the presentation/disclosure requirements of the standalone financial year ended March 31, 2018. The figures included in the Reformatted Standalone Financial Statements, do not reflect the effect of events that occurred subsequent to the date of our reports on the respective periods referred to in paragraph 3(a) and 3(b) above.

6) **Management's Responsibility for the Reformatted Standalone Financial Statements**
   Management is responsible for the preparation of the Reformatted Standalone Financial Statements, as mentioned in paragraph 1 above, on the basis of Note 2.1 to the Reformatted Standalone Financial Statements. Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Reformatted Standalone Financial Statements that are free from material misstatement, whether due to fraud and error. The Management and the Board of Directors are also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations that determine the reported amounts and disclosures in the Reformatted Standalone Financial Statements.

7) **Auditor's Responsibility**
   Our responsibility is to express an opinion on the Reformatted Standalone Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagements to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

8) **Opinion**

In our opinion and as per the reliance placed on the report submitted by previous auditor, the Reformatted Standalone Financial Statements derived from the Audited Standalone Financial Statements of the Company for the respective years are a fair summary of the Audited Standalone Financial Statements of the respective years on the basis described in Note 2.1 to the Reformatted Standalone Financial Statements.

9) **Other matters**

a. This report should not in any way be construed as a re-audit and consequently, re-issuance or re-dating of any of the previous audit reports issued by us and/or other firms of Chartered Accountants on the Reformatted Standalone Financial Statements.

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

10) **Restrictions on Use**

This report is addressed to and is provided to enable the Company for the proposed public issue by the Company for 3,00,00,000 secured Redeemable Non- Convertible Debentures (The "NCD's") of Face Value of Rs.1,000 each, for an amount upto Rs. 3,00,000 Lakh, to be filed by the Company with BSE Limited and with the Securities and Exchange Board of India. The Reformatted Standalone Financial Statements may, therefore, not be suitable for another purpose or distributed to any other person, without our prior written consent.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No.117366W/ W-100018)

For CHATURVEDI SK & FELLOWS
Chartered Accountants
(Firm's Registration No.112627W)

G.K. Subramaniam
Partner
(Membership Number: 109839)

Srikant Chaturvedi
Partner
(Membership Number: 070019)

Mumbai, July 06, 2018

Annexure I

AADHAR HOUSING FINANCE LIMITED

(FORMERLY KNOWN AS DHFL VYSYA HOUSING FINANCE LIMITED)

Reformatted Standalone Balance Sheet

(Rs in Lakh)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
A. EQUITY AND LIABILITIES						
1 Shareholders' fund						
a Share capital	3	2,515	1,108	1,108	1,108	1,108
b Reserves and surplus	4	67,445	14,265	13,573	12,067	10,414
Total shareholders' funds		**69,960**	**15,373**	**14,681**	**13,175**	**11,522**
2 Non current liabilities						
a Long term borrowings	5	5,10,488	1,39,536	1,11,347	97,781	90,111
b Deferred tax liability [net]	6	1,818	1,721	940	448	-
c Long term provisions	7	5,669	1,754	1,204	992	817
Total non-current liabilities		**5,17,975**	**1,43,011**	**1,13,491**	**99,221**	**90,928**
3 Current liabilities						
a Short term borrowings	8	37,110	-	-	-	-
b Trade payables	9					
a) Total outstanding dues to micro enterprises and small		-	-	-	-	-
b) Total outstanding dues of creditors other than micro enterprises		1,377	259	40	32	22
c Other current liabilities	10	1,55,987	33,881	31,007	26,235	22,820
d Short term provisions	11	333	953	160	800	437
Total current liabilities		**1,94,807**	**35,093**	**31,207**	**27,067**	**23,279**
Total equity and liabilities		**7,82,742**	**1,93,477**	**1,59,379**	**1,39,463**	**1,25,729**
B. ASSETS						
1 Non current assets						
a Fixed assets						
(i) Tangible assets	12	1,830	238	88	70	111
(ii) Intangible assets	12	83	8	8	10	10
		1,913	**246**	**96**	**80**	**121**
b Deferred tax assets [net]	6	-	-	-	-	148
c Non current investments	13	472	968	582	571	540
d Long term housing and property loans	14	6,99,125	1,70,096	1,35,854	1,20,693	1,03,457
e Other long term loans and advances	15	1,744	470	392	293	205
f Other non current assets	16	135	280	80	80	80
Total non current assets		**7,03,389**	**1,72,060**	**1,37,004**	**1,21,717**	**1,04,551**
2 Current assets						
a Current investments	17	20,483	96	-	-	-
b Trade receivables	18	1,331	496	408	352	301
c Cash and bank balance	19	19,634	8,684	10,440	5,603	11,394
d Short term portion of housing and property loans	14	36,145	10,903	11,065	11,339	9,155
e Short term loans and advances	20	647	164	147	151	128
f Other current assets	21	1,113	1,074	315	301	200
Total current assets		**79,353**	**21,417**	**22,375**	**17,746**	**21,178**
Total assets		**7,82,742**	**1,93,477**	**1,59,379**	**1,39,463**	**1,25,729**

See accompanying notes forming part of financial statements **1 to 38**

In terms of our report attached.

For Chaturvedi SK & Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place: Mumbai
Dated: July 6, 2018

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
Partner
ICAI M N : 109839

Place: Mumbai
Dated: July 6, 2018

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

G. P. Kohli
Director
DIN 00230388

Anmol Gupta
Chief Financial Officer

Srikant V.N.
Company Secretary

Annexure II

AADHAR HOUSING FINANCE LIMITED

(FORMERLY KNOWN AS DHFL VYSYA HOUSING FINANCE LIMITED)

Reformatted Standalone Statement of Profit and Loss

(Rs in Lakh)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
1 Income						
Revenue from operations	22	79,806	21,198	19,281	17,871	15,009
Other income	23	14	4	3	1	6
Total income		**79,820**	**21,202**	**19,284**	**17,872**	**15,015**
2 Expenses						
Finance costs	24	46,201	14,632	13,194	11,806	9,937
Employees benefits expense	25	9,878	1,728	1,148	988	812
Depreciation and amortisation	12	363	55	38	68	37
Provision for contingencies		1,987	425	216	123	197
Other expenses	26	5,486	786	687	574	419
Total expenses		**63,915**	**17,626**	**15,283**	**13,559**	**11,402**
3 Profit before tax (1-2)		**15,905**	**3,576**	**4,001**	**4,313**	**3,613**
4 Tax expense						
Current tax		5,673	1,206	1,203	1,246	1,043
Deferred tax		259	49	126	230	(55)
		5,932	**1,255**	**1,329**	**1,476**	**988**
5 Profit for the year (3-4)		**9,973**	**2,321**	**2,672**	**2,837**	**2,625**
6 Earnings per equity share	27					
Basic and diluted earnings per share (Rs.)		46.46	24.56	24.12	25.61	23.69

See accompanying notes forming part of financial statements **1 to 38**

In terms of our report attached.

For Chaturvedi SK & Fellows
Chartered Accountants
ICAI FRN:112627W

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

Srikant Chaturvedi
Partner
ICAI MN: 070019

G.K Subramaniam
Partner
ICAI M N : 109839

G. P. Kohli
Director
DIN 00230388

Anmol Gupta
Chief Financial Officer

Place: Mumbai
Dated: July 6, 2018

Place: Mumbai
Dated: July 6, 2018

Srikant V.N.
Company Secretary

Annexure III

AADHAR HOUSING FINANCE LIMITED
(FORMERLY KNOWN AS DHFL VYSYA HOUSING FINANCE LIMITED)

Reformatted Standalone Cash flow statement

(Rs in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
A. Cash flow from operating activities					
Profit before tax	15,905	3,576	4,001	4,313	3,613
Adjustments for:					
Depreciation	363	55	38	68	37
Loss on sale of fixed assets sold (Net)	-	1	-	-	-
Provision for contingencies	1,987	425	216	123	197
Dividend income	-	-	-	-	(15)
Profit on sale of investment in mutual fund and other investments	(1,462)	-	-	-	-
Operating profit before working capital changes	16,793	4,057	4,255	4,504	3,832
Adjustments for:					
Increase/(Decrease) in liabilities and provisions	33,601	2,157	900	(2,528)	2,670
(Increase)/Decrease in trade receivables	(366)	(57)	(56)	(51)	(48)
(Increase)/Decrease in loans and advances	(451)	30	(95)	(111)	(87)
(Increase)/Decrease in other assets	64	(1,047)	(14)	(101)	(15)
Cash generated from operations during the year	49,641	5,140	4,990	1,713	6,352
Tax paid	(5,691)	(1,269)	(1,316)	(1,269)	(1,044)
Net cash flow from operations	43,950	3,871	3,674	444	5,308
Housing and other property loans disbursed	(3,90,465)	(64,565)	(44,238)	(42,646)	(36,331)
Housing and other property loans repayments	89,967	30,485	29,351	23,226	18,523
Net cash used in operating activities [A]	(2,56,548)	(30,209)	(11,213)	(18,976)	(12,500)
B. Cash flow from investing activities					
Proceeds received on sale / redemption of investments	7,14,257	-	-	-	160
Payment towards purchase of investments	(7,16,337)	(482)	-	-	-
Dividend income	-	-	-	-	15
Investment in fixed deposits (net of maturities)	1,784	(527)	(800)	800	(1,000)
Payment towards purchase of fixed assets	(776)	(177)	(54)	(45)	(44)
Proceeds received on sale of fixed assets	19	6	-	-	-
Net cash used in investing activities [B]	(1,053)	(1,180)	(854)	755	(869)
C. Cash flow from financing activities					
Proceeds received on allotment of equity shares	11,500	-	-	-	-
Proceeds from loans from banks/institutions	2,31,695	56,320	54,000	36,500	35,258
Proceeds from loans from Non-convertible debentures	48,500	9,940	-	-	-
Repayment of loans to banks/institutions	(62,447)	(40,112)	(37,866)	(23,413)	(17,639)
Repayment of loans to Non-convertible debentures	(8,800)	-	-	-	-
Net proceeds / (repayment) of short term Loan	(5,988)	-	-	-	-
Proceeds from fixed deposits	3,878	4,908	2,348	1,237	799
Repayment of fixed deposits	(2,230)	(1,616)	(911)	(770)	(605)
Proceeds from assignment of portfolio	35,341	-	-	-	-
Dividend paid	(775)	(111)	(1,219)	(277)	(831)
Tax paid on dividend	(158)	(23)	(248)	(47)	(141)
Net cash generated from financing activities [C]	2,50,516	29,306	16,104	13,230	16,841
Net increase / (decrease) in cash and cash equivalents [A+B+C]	(7,085)	(2,083)	4,037	(4,991)	3,472
Cash and cash equivalents at the beginning of the year	7,357	9,440	5,403	10,394	6,922
Cash and cash equivalents acquired on amalgamation	18,566	-	-	-	-
Cash and cash equivalents at the end of the year	18,838	7,357	9,440	5,403	10,394
See accompanying notes forming part of financial statements	**1 to 38**				

In terms of our report attached.

For Chaturvedi SK and Fellows
Chartered Accountants
ICAI FRN:112627W

Srikant Chaturvedi
Partner
ICAI MN: 070019

Place: Mumbai
Dated: July 6, 2018

For Deloitte Haskins and Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

G.K Subramaniam
Partner
ICAI M N : 109839

Place: Mumbai
Dated: July 6, 2018

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Managing Director & CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

G. P. Kohli
Director
DIN 00230388

Anmol Gupta
Chief Financial Officer

Srikant V.N.
Company Secretary

Significant accounting policies and notes to the accounts to the reformatted standalone financial statements

Annexure IV

1. Corporate information

Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) 'the Company' was incorporated in India in the name of Vysya Bank Housing Finance Limited on 26th November 1990 and is carrying business of providing loans to retail customers including individuals, Companies, Corporations, Societies or Association of Persons for purchase / construction / repair and renovation of residential property, loans against property and provide other property related services. The Company is registered with National Housing Bank under section 29A of the National Housing Bank Act, 1987. The Company is subsidiary of Wadhawan Global Capital Limited.

2. Significant accounting policies :

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention on an accrual basis to comply in all material aspects with applicable accounting principles in India including accounting standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India, the relevant provisions of the Companies Act, 2013 ("the Act"), the National Housing Bank Act, 1987 and the Housing Finance Companies (NHB) Directions 2010 issued by National Housing Bank to the extent applicable. Except otherwise mentioned, the accounting policies has been consistently applied by the Company and are consistent with those used in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) on the date of financial statement and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Any revision to accounting estimates is recognised prospectively in the current and future periods. Example of such estimates includes provision for non - performing loans, provision for employee benefit plans and provision for income taxes.

2.3 Revenue Recognition

Income from housing and property loans :

i. Repayment of housing and property loan is by way of Equated Monthly Instalments (EMIs) comprising principal and interest. EMIs commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest basis in terms of financing scheme opted by the borrower. Interest income is allocated over the contractual term of the loan by applying the committed interest rate to the outstanding amount of the loan. Interest income is accrued as earned with the passage of time. Revenue from interest on non-performing assets is recognised on a receipt basis as per the guidelines prescribed by the National Housing Bank.

ii. Processing fees and other loan related charges are recognised when it is reasonable to expect ultimate collection which is generally at the time of Login/disbursement of the loan.

iii. Prepayment charges, delayed payment interest and other income are recognized on receipt basis.

Revenue from other services / other income

i. Dividend income on investments is recognised when the unconditional right to receive dividend is established. In term of Housing Finance Companies (NHB) Direction 2010, Dividend Income on units of Mutual Funds held by the Company are recognised on cash basis.

ii. Interest income on Deposits and Other Debt Instruments is recognised on accrual basis. The gains/losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Gain or loss on sale of investments is determined after consideration of cost on a weighted average basis.

iii. Income from other services is recognised after the service is rendered and to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured.

2.4 Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

2.5 Intangible assets

Intangible assets including software are capitalized where it is expected to provide future enduring economic benefits. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.6 Depreciation / amortization

i. Tangible assets

a). Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

b). Depreciation on tangible fixed assets has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of the assets, in whose case the life of the assets has been assessed differently, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc..

Estimated useful life considered by the Company are:

Asset	**Estimated Useful Life**
Office Equipment	5 – 10 Years
Vehicles	4 – 10 Years
Leasehold improvements	Lease Period

c). Company has changed its depreciation method from WDV to SLM method during the year ended March 31, 2017.

ii. Intangible assets

Intangible assets are amortised over their estimated useful life on straight line method. Computer software is amortised over 3 years on the ‘Straight Line Method’ basis for the number of days the assets have been put to use for their intended purposes.

2.7 Impairment of assets (other than Loan Assets)

If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalue amount, in which case any impairment loss of the revalue asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset (other than a revalue asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalue assets such reversal is not recognised.

2.8 Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

2.9 Employee benefits

Employee benefits are accrued in accordance with Accounting Standard-15 (Revised) “Employee Benefits”.

i. Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

ii. Defined benefits plan

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Long-term leave has been valued on actuarial basis as at the year end.

iii. Short-term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.10 Finance costs
Interest accrued on cumulative fixed deposit and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme.

Interest and related financial charges (including ancillary transaction cost) are recognised as an expense in the period for which they are incurred as specified in Accounting Standard (AS 16) on "Borrowing Costs".

2.11 Provisions for non-performing assets and standard assets
The recognition of non-performing ("NPA") and provision on Standard and Non-Performing Loans is made as per the prudential norms prescribed in the Housing Finance Companies (NHB) Directions, 2010 as amended. Additional provisions (over and above the prudential norms) if required is made as per the Guidelines approved by the Board of Directors from time to time.

2.12 Leases
Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss over the lease term.

2.13 Foreign currency transaction and balances
Initial recognition
Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Treatment of exchange differences
Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.14 Current and deferred tax

i. Tax expense comprises of current tax and deferred taxes.

ii. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

iii. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the

Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

iv. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Provisions, contingent liability and contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

2.17 Special Reserve

The company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.18 Housing and property loans

Housing loans include outstanding amount of Housing Loan disbursement directly or indirectly to individual, Project Loan for residential building and other borrowers. Property loans include mortgage against residential / commercial property and loan against the lease rental income from properties in accordance with the directions of National Housing Bank. EMI / Pre-EMI receivable from borrowers less than or equal to 3 months against the above loans are shown under Trade Receivables.

2.19 Assignment of portfolio

The Company periodically transfers the pools of mortgages and housing loans. Such assets are derecognised, if only if, the company loses the control of the contractual rights that comprise the corresponding pools of housing and mortgage loans transferred.

Transfer of pools of Mortgages and Housing Loans involves the transfer of proportionate share in the pools of housing loan and mortgage loans. Such transfers results in de-recognition only of that portion of mortgage and housing loans as meet the criteria of de-recognition. The portion retained by the Company continue to be accounted for as described above

2.20 Cash flow statement

Cash flows are reported using the indirect method as envisaged in Accounting Standard (AS) 3 Cash Flow Statements, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.21 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.22 Operating cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3. Share capital (Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Authorised share capital					
22,00,00,000 Nos. of equity shares of Rs 10 each fully paidup	22,000	2,000	2,000	2,000	2,000
Issued share capital					
2,51,48,472 Nos. of equity shares of Rs 10 each fully paidup	2,515	1,108	1,108	1,108	1,108
Subscribed and paid up capital					
2,51,48,472 Nos. of equity shares of Rs 10 each fully paidup	2,515	1,108	1,108	1,108	1,108
Total	**2,515**	**1,108**	**1,108**	**1,108**	**1,108**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Equity shares at the beginning of the year	1,10,80,705	1,10,80,705	1,10,80,705	1,10,80,705	1,10,80,705
Add: Shares issued during the year					
On Amalgamation (refer note 28)	1,01,25,360	-	-	-	-
Preferential Allotment	39,42,407	-	-	-	-
Equity shares at the end of the year	**2,51,48,472**	**1,10,80,705**	**1,10,80,705**	**1,10,80,705**	**1,10,80,705**

b) Terms / Rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders. Dividend declared towards equity shares will be subject to the approval of shareholder in the Annual General Meeting.

c) The Company has proposed final dividend and interim dividend per equity share to the equity shareholders subject to the approval of the shareholders at the ensuing Annual General Meeting :

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Proposed final dividend	7	7	5	6	2.50
Interim dividend	-	-	1	-	2.50
Total dividend	**7**	**7**	**6**	**6**	**5.00**

d) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014	
	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares	% of Holding	Number of shares
Wadhawan Global Capital Ltd (Holding Company)	69.98%	##########	83.89%	92,95,941	83.89%	92,95,941	83.89%	92,95,941	83.89%	92,95,941
Dewan Housing Finance Corporation Ltd	9.15%	23,01,090	9.47%	10,48,989	9.47%	10,48,989	9.47%	10,48,989	9.47%	10,48,989
International Finance Corporation (IFC Washington)	16.91%	42,53,389	0.00%	-	0.00%	-	0.00%	-	0.00%	-

4. Reserves and surplus (Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Capital reserve on amalgamation					
Balance at the beginning of the year	-	-	-	-	-
Add: Addition during the year	6	-	-	-	-
Balance at the end of the year	**6**	**-**	**-**	**-**	**-**
Securities premium					
Balance at the beginning of the year	1,304	1,304	1,304	1,304	1,304
Add: Premium on equity shares to be issued on amalgamation (refer note 28)	28,503	-	-	-	-
Add: Premium on preferential allotment of equity shares	11,106	-	-	-	-
Balance at the end of the year	**40,913**	**1,304**	**1,304**	**1,304**	**1,304**
Statutory reserve (Special reserve as per Section 29C of National Housing Bank Act, 1987 and Special reserve as per Section 36(1)(viii) of the Income Tax Act, 1961) (refer note 'b' below)					
Balance at the beginning of the year	7,095	6,295	5,495	4,645	3,645
Add : Transferred from Statement of Profit and Loss	2,814	800	800	850	1,000
Add : Transferred on amalgamation (refer note 28)	1,029	-	-	-	-
the year ended March 31, 2017	1,230	-	-		
Balance at the end of the year	**12,168**	**7,095**	**6,295**	**5,495**	**4,645**
General Reserve					
Balance at the beginning of the year	2,267	2,463	2,029	1,613	1,113
Add : Transferred from Statement of Profit and Loss	-	500	800	800	500
Add : On account of change in depreciation method	-	36	-	-	-
Less : Adjustment in fixed assets due to change in useful lives specified in part C of Schedule II to the Companies Act	-	-	-	18	-
Less : Deferred tax liability on opening special reserve U/s 36(1)(viii) of	-	732	366	366	-
Balance at the end of the year	**2,267**	**2,267**	**2,463**	**2,029**	**1,613**

4. Reserves and surplus (Continued..) (Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Surplus in Statement of Profit and Loss:					
Balance at the beginning of the year	3,599	3,511	3,239	2,852	2,375
Add : Profit for the year	9,973	2,321	2,672	2,837	2,625
Add : Addition due to amalgamation for the year ended March 31, 2017	2,587	-	-	-	-
Less : Appropriations :					
Special reserve	2,814	800	800	850	1,000
Reduction due to amalgamation for the year ended March 31, 2017 -	1,230				
Reduction due to amalgamation for the year ended March 31, 2017 - Deferred tax liability on opening special reserve U/s 36(1)(viii) of Income Tax Act, 1961	24	-	-	-	-
General reserve	-	500	800	800	500
Interim equity dividend	-	-	554	-	277
Proposed equity dividend (refer note below)	-	775	111	665	277
Dividend distribution tax (refer note below)	-	158	135	135	94
Balance at the end of the year	**12,091**	**3,599**	**3,511**	**3,239**	**2,852**
Total	**67,445**	**14,265**	**13,573**	**12,067**	**10,414**

a) The Board of Directors, at the meeting held on April 24, 2018 has proposed a final dividend of Rs 7/- per equity share aggregating to Rs 2,119 Lakh, inclusive of tax on dividend. The proposal is subject to the approval of the shareholders at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4-Contingencies and Events Occurring after the Balance Sheet date as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Company has not appropriated proposed dividend from Statement of Profit and Loss for the year ended March 31, 2018.

b) Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol.Circular.61/2013-14, dated: 7th April, 2014 and

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year					
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	543	424	366	336	77
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory	6,552	5,871	5,129	4,309	3,568
c) Total	**7,095**	**6,295**	**5,495**	**4,645**	**3,645**
Transferred on amalgamation (refer note 28)					
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	61	-	-	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory	968	-	-	-	-
c) 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 for the year ended March 31, 2017	1,230				
d) Total	**2,259**	**-**	**-**	**-**	**-**
Additions during the year					
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	104	119	58	30	259
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory	2,710	681	742	820	741
c) Total	**2,814**	**800**	**800**	**850**	**1,000**
Utilised during the year					
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-	-	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-	-	-	-
c) Total	**-**	**-**	**-**	**-**	**-**
Balance at the end of the year					
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	708	543	424	366	336
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	11,460	6,552	5,871	5,129	4,309
c) Total	**12,168**	**7,095**	**6,295**	**5,495**	**4,645**

c) The National Housing Bank vide circular No.NHB(ND)/DRS/Policy Circular 65/2014-15 dated 22.08.2014 has clarified that contingent deferred tax liability in respect of opening balance under special reserve as at 01.04.2014 may be adjusted/ provided from free opening reserves of the Company over a period of 3 years in the ratio of 25:25:50 respectively. Accordingly, the Company has provided the contingent deferred tax liability through general reserve amounting to :

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Deferred tax liability in respect of special reserve	-	732	366	366	-

5. Long term borrowings (Rs in Lakh)

Particulars	Non-Current Portion					Current Portion				
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Secured										
Redeemable Non convertible debentures	92,640	9,940	-	-	-	10,000	-	-	-	-
Term loan from banks	3,63,357	81,648	78,627	67,514	51,406	66,960	20,182	21,041	18,052	12,037
Term Loan from National Housing Bank	40,997	43,730	30,506	29,005	37,823	5,384	7,542	6,720	6,189	6,407
Total secured long term borrowings	**4,96,994**	**1,35,318**	**1,09,133**	**96,519**	**89,229**	**82,344**	**27,724**	**27,761**	**24,241**	**18,444**
Unsecured										
Redeemable Non convertible debentures	8,400	-	-	-	-	-	-	-	-	-
Deposit										
Fixed deposit	5,094	4,218	2,214	1,262	882	3,072	2,455	1,148	701	585
Total unsecured long term borrowings	**13,494**	**4,218**	**2,214**	**1,262**	**882**	**3,072**	**2,455**	**1,148**	**701**	**585**
Total	**5,10,488**	**1,39,536**	**1,11,347**	**97,781**	**90,111**	**85,416**	**30,179**	**28,909**	**24,942**	**19,029**
Current Portion of above liability is disclosed under the head "other current liabilities". (Refer Note 10)						**(85,416)**	**(30,179)**	**(28,909)**	**(24,942)**	**(19,029)**
Net Amount	**5,10,488**	**1,39,536**	**1,11,347**	**97,781**	**90,111**	**-**	**-**	**-**	**-**	**-**

5. **Long term borrowings** ***(Continued..)***

5.1 NCDs are long term and are secured by way of jointly ranking pari passu inter-se first charge, along with NHB and other banks, on the Company's book debts, housing loans and on a specific immovable asset of the Company . NCDs including current maturities are redeemable at par on various periods. Company has raised below mentioned amount from Secured Redeemable Non Convertible Debentures (NCDs) during the year.

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Amount raised during the year	48,500	9,940	-	-	-

5.2 The secured term loans from all other banks are availed from various scheduled banks. These loans are repayable as per the individual contracted terms in one or more instalments between April 2018 and March 2033. These loans (current and non-current portion) are secured / to be secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable.

5.3. Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more instalments between April 2018 and September 2028. These loans from National Housing Bank (current and non-current portion) are secured / to be secured by way of first charge to and in favour of NHB, other banks and NCD holders and jointly ranking pari passu inter-se, on the Company's book debts, housing loans and the whole of the present and future movable and immovable assets wherever situated excluding SLR assets (read with note no.5.6 hereinafter) and are also guaranteed by some of the promoters and promoter director.

5.4 Unsecured Redeemable Non-Convertible Debentures are subordinated to present and future senior indebtedness of the Company. These Unsecured Redeemable Non-Convertible Debentures qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity at the end of various periods. Outstanding as at :

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Amount outstanding	8,400	-	-	-	-

5.5 Fixed Deposits, including short term fixed deposits are repayable as per individual contracted maturities ranging between 12 months to 120 months from the date of deposit. The interest is payable on contracted terms depending upon the scheme opted by the depositor.

5.6 The National Housing Bank Directives requires all HFCs, accepting public deposits, to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a Trust Deed. The Company has accordingly appointed SEBI approved Trustee Company as a Trustee for the above by executing a trust deed.
The public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

5.7 Department of Company Affairs with reference to the General Circular No. 4/2003 vide G.S.R. 413 (E) dated 18.06.2014, had clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures.

5.8 Maturity pattern of long term borrowings :

(Rs in Lakh)

Particulars	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured				
Redeemable Non convertible debentures (9.00% to 9.60%)	56,900	20,450	25,290	1,02,640
Term loan from banks (Linked with MCLR/Base Rate of respective banks)	2,17,627	1,14,752	97,938	4,30,317
Loan from National Housing Bank (5.75% to 10.50%)	17,067	11,159	18,155	46,381
Unsecured				
Redeemable Non convertible debentures (9.75% to 10.00%)	-	1,800	6,600	8,400
Fixed deposit (8.25% to 11%)	7,175	866	125	8,166
Total	**2,98,769**	**1,49,027**	**1,48,108**	**5,95,904**

6. Deferred tax liabilities / (assets) net

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
A. Deferred tax liabilities					
Deferred tax liability on special reserve	3,882	2,241	1,273	645	-
On difference between book balance and tax balance of assets	75	-	-	-	-
	3,957	**2,241**	**1,273**	**645**	**-**
B. Deferred Tax Assets					
On account of provision for contingency	1,872	462	315	180	145
On difference between book balance and tax balance of assets		2	18	17	3
On account of provision for employee benefits	103	-	-	-	-
Others	164	56	-	-	-
	2,139	**520**	**333**	**197**	**148**
Deferred tax liabilities / (assets) net (A-B)	**1,818**	**1,721**	**940**	**448**	**(148)**

7. Long term provisions

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Provision for contingencies (refer note 7.1 and 7.2)					
On standard assets	2,635	793	647	601	510
On non performing assets	2,603	818	545	364	301
Provision for employee benefits					
Provision for gratuity	8	-	-	-	-
Provision for compensated absences	423	143	12	27	6
Total	**5,669**	**1,754**	**1,204**	**992**	**817**

7.1 Provision for non Performing housing and property loans

Provision in respect of standard, sub standard, doubtful and loss assets (read with note no.14) are recorded in accordance with the guidelines on prudential norms as specified by

(Rs in Lakh)

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016		As at March 31, 2015		As at March 31, 2014	
	Portfolio	Provisions	Portfolio	Provisions	Portfolio	Provisions	Portfolio	Provisions	Portfolio	Provisions
Standard assets										
Housing loans	5,87,040	1,632	1,62,028	677	1,34,171	574	1,20,587	526	1,03,639	439
Other property loans	1,39,816	1,003	16,161	116	10,898	74	10,346	75	8,097	71
	7,26,856	2,635	1,78,189	793	1,45,069	648	1,30,933	601	1,11,736	510
Sub standard Assets										
Housing loans	3,790	766	1,796	270	1,077	163	511	77	387	58
Other property loans	318	71	83	13	39	6	21	3	-	-
	4,108	837	1,879	283	1,116	169	532	80	387	58
Doubtful assets										
Housing loans	3,872	1,514	713	354	565	249	423	211	476	228
Other property loans	391	209	158	121	119	77	117	47	-	-
	4,263	1,723	871	475	684	326	540	258	476	228
Loss assets										
Housing loans	43	43	40	40	34	34	18	18	13	14
Other property loans	-	-	20	20	16	16	9	9	-	-
	43	43	60	60	50	50	27	27	13	14
Total	**7,35,270**	**5,238**	**1,80,999**	**1,611**	**1,46,919**	**1,193**	**1,32,032**	**966**	**1,12,612**	**810**
Summary										
Housing loans	5,94,745	3,955	1,64,577	1,341	1,35,847	1,020	1,21,539	832	1,04,515	739
Other property loans	1,40,525	1,283	16,422	270	11,072	173	10,493	134	8,097	71
Total	**7,35,270**	**5,238**	**1,80,999**	**1,611**	**1,46,919**	**1,193**	**1,32,032**	**966**	**1,12,612**	**810**

7.2 Movement of provision for contingencies :

(Rs in Lakh)

Particulars	Standard Assets					Non Performing Assets				
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	**793**	**647**	**601**	**510**	**403**	**818**	**547**	**364**	**301**	**222**
Add: Provision during the year	913	146	46	91	107	1,061	279	183	63	79
Add: Transferred on amalgamation	1,179	-	-	-	-	760	-	-	-	-
Less: Utilised during the year	250	-	-	-	-	36	8	-	-	-
Balance at the end of the year	**2,635**	**793**	**647**	**601**	**510**	**2,603**	**818**	**547**	**364**	**301**

8. Short term borrowings

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Secured					
Loan repayable on demand from banks	2,539	-	-	-	-
Unsecured					
Commercial paper (net of unamortised discount of Rs. 429 Lakh	32,071	-	-	-	-
Inter-corporate deposit	2,500	-	-	-	-
Total	**37,110**	**-**	**-**	**-**	**-**

8.1. Loans repayable on demand comprises of Cash credit facilities from banks and are secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable. All cash credit facilities are repayable as per the contracted / rollover term.

8.2 Commercial papers of the Company have following maturity value and Yield on commercial papers varies between 7.20% to 7.90% as at March 31, 2018.

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Maturity value of commercial paper	32,500	-	-	-	-

9. Trade payables

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
a) Total outstanding dues to micro enterprises and small enterprises	-	-	-	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises					
Payable to service providers	1,377	259	40	32	22
Total	**1,377**	**259**	**40**	**32**	**22**

There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during / for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

10. Other current liabilities

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term borrowing (refer note 5)	85,416	30,179	28,909	24,942	19,029
Interest accrued but not due - fixed deposit	66	101	49	41	30
Interest accrued but not due - other borrowings	6,072	634	-	-	997
Unclaimed dividend	6	5	6	3	3
Unclaimed matured deposits and interest accrued thereon	235	79	99	61	90
Others					
Book overdraft	59,075	2,338	1,454	822	2,318
Advance from customers	355	122	146	136	145
Statutory remittances	396	21	18	9	11
Amount payable under securitisation/ joint syndication transaction	1,795	-	-	-	-
Other current liabilities	2,571	402	326	221	197
Total	**1,55,987**	**33,881**	**31,007**	**26,235**	**22,820**

10.1 The Company has transferred following sum being Unclaimed Dividend to Investor Education and Protection Fund under section 124 of the Companies Act, 2013 .

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Transferred to Investor Education and Protection fund	0.38	0.55	0.26	0.31	0.32

11. Short term provisions

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits					
Provision for compensated absences	-	20	26	-	9
Others					
Provision for Income tax (net of advance tax)	333	-	-	-	104
Proposed dividend	-	775	111	665	277
Provision for dividend distribution tax	-	158	23	135	47
Total	**333**	**953**	**160**	**800**	**437**

12. Fixed Assets:

(Rs in Lakh)

Description of Asset	TANGIBLE ASSETS							INTANGIBLE ASSETS		
Gross Block	**Freehold Land**	**Building - Owned**	**Furniture & Fixture**	**Office Equipments**	**Vehicles**	**Computer**	**Total Tangible Assets**	**Software**	**Total Intangible Assets**	**Total Gross Block**
As at March 31, 2013	**-**	**-**	**116**	**57**	**23**	**156**	**352**	**50**	**50**	**402**
Additions during the year	-	-	26	7	-	4	37	7	7	44
Disposal / adjustment	-	-	-	-	-	(1)	(1)	-	-	(1)
As at March 31, 2014	**-**	**-**	**142**	**64**	**23**	**159**	**388**	**57**	**57**	**445**
Additions during the year	-	-	7	5	1	21	34	9	9	43
Disposal / adjustment	-	-	-	-	-	-	-	-	-	-
As at March 31, 2015	**-**	**-**	**149**	**69**	**24**	**180**	**422**	**66**	**66**	**488**
Additions during the year	20	-	5	9	-	17	51	3	3	54
Disposal / adjustment	-	-	-	-	-	-	-	-	-	-
As at March 31, 2016	**20**	**-**	**154**	**78**	**24**	**197**	**473**	**69**	**69**	**542**
Additions during the year	-	-	46	38	24	69	177	-	-	177
Disposal / adjustment	-	-	-	(2)	(22)	(32)	(56)	-	-	(56)
As at March 31, 2017	**20**	**-**	**200**	**114**	**26**	**234**	**594**	**69**	**69**	**663**
Acquired on amalgamation	7	13	697	228	1	284	1,230	43	43	1,273
Additions during the year	-	-	233	106	36	345	720	56	56	776
Disposal / adjustment	-	-	-	-	(23)	(2)	(25)	-	-	(25)
As at March 31, 2018	**27**	**13**	**1,130**	**448**	**40**	**861**	**2,519**	**168**	**168**	**2,687**

Description of Asset	TANGIBLE ASSETS							INTANGIBLE ASSETS		
Accumulated Depreciation and Amortization	**Freehold Land**	**Building - Owned**	**Furniture & Fixture**	**Office Equipments**	**Vehicles**	**Computer**	**Total Tangible Assets**	**Software**	**Total Intangible Assets**	**Total Gross Block**
As at March 31, 2013	**-**	**-**	**85**	**29**	**11**	**121**	**246**	**42**	**42**	**288**
Depreciation and amortization for the year	-	-	9	5	3	14	31	6	6	37
Disposal / adjustment	-	-	(1)	-	-	-	(1)	-	-	(1)
As at March 31, 2014	**-**	**-**	**93**	**34**	**14**	**135**	**276**	**48**	**48**	**324**
Depreciation and amortization for the year	-	-	10	5	3	14	32	5	5	37
Disposal / adjustment	-	-	13	20	-	11	44	3	3	47
As at March 31, 2015	**-**	**-**	**116**	**59**	**17**	**160**	**352**	**56**	**56**	**408**
Depreciation and amortization for the year	-	-	9	7	2	15	33	5	5	38
Disposal / adjustment	-	-	-	-	-	-	-	-	-	-
As at March 31, 2016	**-**	**-**	**125**	**66**	**19**	**175**	**385**	**61**	**61**	**446**
Depreciation and amortization for the year	-	-	13	12	2	23	50	5	5	55
Disposal / adjustment	-	-	(19)	(7)	(15)	(38)	(79)	(5)	(5)	(84)
As at March 31, 2017	**-**	**-**	**119**	**71**	**6**	**160**	**356**	**61**	**61**	**417**
Depreciation and amortization for the year	-	-	105	55	5	174	339	24	24	363
Disposal / adjustment	-	-	-	-	(6)	-	(6)	-	-	(6)
As at March 31, 2018	**-**	**-**	**224**	**126**	**5**	**334**	**689**	**85**	**85**	**774**

Description of Asset	TANGIBLE ASSETS							INTANGIBLE ASSETS		
Net Block	**Freehold Land**	**Building - Owned**	**Furniture & Fixture**	**Office Equipments**	**Vehicles**	**Computer**	**Total Tangible Assets**	**Software**	**Total Intangible Assets**	**Total Gross Block**
As at March 31, 2014	**-**	**-**	**49**	**30**	**9**	**24**	**112**	**9**	**9**	**121**
As at March 31, 2015	**-**	**-**	**33**	**10**	**7**	**20**	**70**	**10**	**10**	**80**
As at March 31, 2016	**20**	**-**	**29**	**12**	**5**	**22**	**88**	**8**	**8**	**96**
As at March 31, 2017	**20**	**-**	**81**	**43**	**20**	**74**	**238**	**8**	**8**	**246**
As at March 31, 2018	**27**	**13**	**906**	**322**	**35**	**527**	**1,830**	**83**	**83**	**1,913**

13. **Non current investments** (Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
	Number of shares / Units					Amount				
Investment in Subsidiary Company (Unquoted										
Investment in Aadhar Sales and Services Private Limited (Equity Shares of Face value of Rs 10 each fully paid yp)	10,000	-	-	-	-	1	-	-	-	-
						1	-	-	-	-
Investment in quoted equity instruments										
Reliance Power Limited (Equity Shares of Face value of Rs 10 each fully paid yp)	222	222	222	222	222	1	1	1	1	1
Capital First Limited (Equity Shares of Face value of Rs 10 each fully paid yp)	172	172	172	172	172	1	1	1	1	1
Mangalore Refinery and Petrochemical Limited (Equity Shares of Face value of Rs 10 each fully paid yp)	3,000	3,000	3,000	3,000	3,000	3	3	3	3	3
						5	5	5	5	5
Investment in quoted Bonds (Government Securities)										
6.25% GOI Bonds 2018 Face Value of Rs 100/- each	-	-	1,00,000	1,00,000	1,00,000	-	-	96	96	96
6.05% GOI Bonds 2019 Face Value of Rs 100/- each	-	5,00,000	5,00,000	5,00,000	5,00,000	-	483	483	483	483
6.57% GOI Bonds 2033 Face Value of Rs 100/- each	5,00,000	5,00,000	-	-	-	480	480	-	-	-
						480	963	579	579	579
Total investments						486	968	584	584	584
Less : Provision for diminution in the value of investment						(14)	-	(2)	(13)	(44)
Total						**472**	**968**	**582**	**571**	**540**
Aggregate book value of quoted investments						485	968	584	584	584
Aggregate book value of unquoted investments						1	-	-	-	-
Market value of quoted investments						471	968	582	571	540

13.1 Investment in government securities carry a floating charge in favour of depositors of fixed deposits read with note no 5.6.

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Investment in government securities	480	963	579	579	579

13.2 Movement of provision for diminution in the value of investment

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Balance at the beginning of the year	**-**	**2**	**13**	**44**	**71**
Add: Provision during the year	14	-	-	-	-
Less: Utilised / reversed during the year	-	2	11	31	27
Balance at the end of the year	**14**	**-**	**2**	**13**	**44**

14. **Housing and property loans** (Rs in Lakh)

Particulars	Non-Current Portion					Current Portion				
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Secured										
Housing loans										
Standard loans	6,15,649	1,52,819	1,24,510	1,10,852	96,185	30,662	9,209	9,661	9,735	7,455
Sub-Standard loans	3,790	1,796	1,077	511	50	-	-	-	-	336
Doubtful loans	3,872	713	565	423	476	-	-	-	-	-
Loss assets	43	40	34	18	13	-	-	-	-	-
Total Housing Loans	**6,23,354**	**1,55,368**	**1,26,186**	**1,11,804**	**96,724**	**30,662**	**9,209**	**9,661**	**9,735**	**7,791**
Less : Assigned Portion of Housing Loans	58,320	-	-	-	-	1,624	-	-	-	-
Net Housing loans	**5,65,034**	**1,55,368**	**1,26,186**	**1,11,804**	**96,724**	**29,038**	**9,209**	**9,661**	**9,735**	**7,791**
Other property loan										
Standard loans	1,34,099	14,467	9,494	8,742	6,733	7,088	1,694	1,404	1,604	1,364
Sub-Standard loans	318	83	39	21	-	-	-	-	-	-
Doubtful loans	391	158	119	117	-	-	-	-	-	-
Loss assets	-	20	16	9	-	-	-	-	-	-
Total Other Property Loans	**1,34,808**	**14,728**	**9,668**	**8,889**	**6,733**	**7,088**	**1,694**	**1,404**	**1,604**	**1,364**
Less : Assigned Portion of Property Loans	1,334	-	-	-	-	37	-	-	-	-
Net Other Property loans	**1,33,474**	**14,728**	**9,668**	**8,889**	**6,733**	**7,051**	**1,694**	**1,404**	**1,604**	**1,364**
Other loans										
Loan given to Dewan Housing Finance Corporation Limited under joint syndication	617	-	-	-	-	56	-	-	-	-
	617	**-**	**-**	**-**	**-**	**56**	**-**	**-**	**-**	**-**
Total Loan Book	**6,99,125**	**1,70,096**	**1,35,854**	**1,20,693**	**1,03,457**	**36,145**	**10,903**	**11,065**	**11,339**	**9,155**
Summary:										
Housing loans	6,23,354	1,55,368	1,26,186	1,11,804	96,724	30,662	9,209	9,661	9,735	7,791
Other property loan	1,34,808	14,728	9,668	8,889	6,733	7,088	1,694	1,404	1,604	1,364
Total Housing and Property Loans under Company's management	**7,58,162**	**1,70,096**	**1,35,854**	**1,20,693**	**1,03,457**	**37,750**	**10,903**	**11,065**	**11,339**	**9,155**
Add : Other loans	617	-	-	-	-	56	-	-	-	-
Less : Assigned Portion of Housing &	59,654	-	-	-	-	1,661	-	-	-	-
Total Housing and Property Loans	**6,99,125**	**1,70,096**	**1,35,854**	**1,20,693**	**1,03,457**	**36,145**	**10,903**	**11,065**	**11,339**	**9,155**

14. Housing and property loans *(Continued…)* (Rs in Lakh)

14.1 Loans granted by the company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or undertaking to create a security and/or assignment of Life Insurance Policies and/or personal guarantees and/or hypothecation of assets and are considered appropriate and good.

14.2 Composite loans sanctioned (i.e. loans allowed for purchase of plot and self construction of house) on or before March 31, 2015 in which construction has not started till March 31, 2018 , as per information available with the Company, is excluded from the housing loan and regrouped under other property loans in above outstanding as on :

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Composite loan regrouped under other property loan	2,164	-	-	-	-

14.3 Property loans consists of non housing loans such as mortgage loans, commercial loans, plot loans and lease rental finance and other loans which are all against real estate properties and which are not covered under the housing loan criteria of NHB.

14.4 Housing loan (Current and non current) includes given to employees of the Company under the staff loan.

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Staff Loan	1,085	341	271	252	203

14.5 Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Property Loans. The Insurance portion helps in mitigating the risk and secures the

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Insurance portion of Housing Loan	29,623	4,625	3,218	2,515	1,848

14.6 Total Housing and Property Loans include on account of principal portion of EMI receivable / due for more than 90 days.

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Principal portion of EMI due for more than 90 days	474	239	162	117	91

14.7 The Company has entered into a loan syndication agreement with Dewan Housing Finance Corporation Ltd (DHFL)to provide housing and property loans to borrowers wherein DHFL originates loan files through its branches and get it processed under common credit norms. Aadhar Housing Finance Ltd has agreed to participate in some of the loan

14.8 The Company has assigned pool of certain housing and property loans and managed servicing of such loan accounts. These assets have been de-recognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said assignment agreements, the Company pays to buyer/investor on monthly basis the prorata collection amount as per individual agreement terms. The balance outstanding in the pool, as at the reporting date

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Assigned pool of housing and other property loans	61,315	-	-	-	-

14.9 Detail of Assignment transactions undertaken during the year :

(Rs in Lakh)

	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
1	No of accounts / Pools	3	-	-	-	-
2	Aggregate value (Net of Provisions) of accounts assigned	35,341	-	-	-	-
3	Aggregate consideration	35,341	-	-	-	-

14.10 The Company has complied with norms prescribed under Housing Finance Companies (NHB) Directions, 2010 for recognizing Non- Performing Assets in preparation of accounts. The Company has made adequate provision on Non-performing Assets as prescribed under Housing Finance Companies (NHB) Directions 2010.
The Company has made provision on outstanding standard loans as prescribed under Housing Finance Companies (NHB) Directions 2010 and Notifications as amended from

15. Other long term loans and advances (Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Unsecured and considered good unless stated otherwise					
Security deposits	365	149	110	107	85
Loans to employees	-	2	5	6	9
Prepaid expenses	1,074	85	99	123	75
Income tax paid in advance (net of provisions)	128	228	169	56	33
Capital advance	177	6	9	1	3
Total	**1,744**	**470**	**392**	**293**	**205**

16. Other non current assets (Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Bank balance in deposit account balance maturity date more than twelve months (refer note 19.1)	135	280	80	80	80
Total	**135**	**280**	**80**	**80**	**80**

17. Current investments (At cost or market value whichever is lower) (Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
	Units	Units	Units	Units	Units	Amount	Amount	Amount	Amount	Amount
Investment in quoted mutual funds										
HSBC Cash Fund	115682.570	-	-	-	-	2,000	-	-	-	-
IDBI Liquid Fund	80701.310	-	-	-	-	1,500	-	-	-	-
Invesco India Liquid Fund	83711.910	-	-	-	-	2,000	-	-	-	-
Peerless Liquid Fund	52291.940	-	-	-	-	1,000	-	-	-	-
BOI AXA Liquid Fund	124997.280	-	-	-	-	2,500	-	-	-	-
L&T Mutual Fund - Liquid Fund	84030.280	-	-	-	-	2,000	-	-	-	-
LIC Mutual Fund - Liquid Fund	47665.480	-	-	-	-	1,500	-	-	-	-
M & M Liquid Find - Direct Growth	88983.740	-	-	-	-	1,000	-	-	-	-
Mirea Cash Management Fund - Direct Growth	54607.460	-	-	-	-	1,000	-	-	-	-
Principal Cash Management Fund - Direct Growth	118258.290	-	-	-	-	2,000	-	-	-	-
Reliance Liquid Fund Treasure Plan - Direct Growth	35431.480	-	-	-	-	1,500	-	-	-	-
SBI Magnum Insta Cash Plus Fund - Direct Growth	52129.120	-	-	-	-	2,000	-	-	-	-
						20,000	-	-	-	-
Current maturity of Non Current Investments										
Investment in quoted Bonds (Government Securities)										
6.25% GOI Bonds 2018 (Face Value of Rs 100/- eacl	-	100000	-	-	-	-	96	-	-	-
6.05% GOI Bonds 2019 (Face Value of Rs 100/- eacl	500000	-	-	-	-	483	-	-	-	-
						483	96	-	-	-
Total						**20,483**	**96**	**-**	**-**	**-**
Aggregate book value of quoted investments						20,483	96	-	-	-
Aggregate book value of unquoted investments						-	-	-	-	-
Market value of quoted investments						20,507	96	-	-	-

17.1 Current maturity of investment in government securities carry a floating charge in favour of depositors of fixed deposits read with note no 5.6.

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Current maturity of investment in government securities	483	96	-	-	-

18. Trade Receivables (Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Secured and considered good					
Less than six months					
EMI / PEMI receivable due for less than 90 days	1,067	480	400	349	286
Other receivables	264	16	8	3	15
Total	**1,331**	**496**	**408**	**352**	**301**

19. Cash and bank balances (Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents					
Cash on hand	636	24	32	28	24
Balances with banks					
-In current accounts	13,202	5,333	9,408	3,123	8,371
-in deposits accounts with original maturity of less than 3 months	5,000	2,000	-	2,252	1,999
Total cash and cash equivalents	18,838	7,357	9,440	5,403	10,394
Other bank balances					
Fixed deposits less than 12 months maturity	796	1,327	1,000	200	1,000
Fixed deposits more than 12 months maturity	135	280	80	80	80
	931	1,607	1,080	280	1,080
Less :Fixed deposits more than 12 months maturity (refer note 16)	(135)	(280)	(80)	(80)	(80)
Total other bank balances	796	1,327	1,000	200	1,000
Total	**19,634**	**8,684**	**10,440**	**5,603**	**11,394**

19.1 Bank balance in deposit account maturity less than twelve months and more than twelve months carry a floating charge in favour of depositors of Fixed Deposits read with note no 5.6.

(Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Fixed Deposits carrying floating charge	293	280	80	80	80

20. Short term loans and advances (Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Unsecured and considered good unless stated otherwise					
Receivable from related parties					
Security deposits	65	-	-	-	-
Other dues from related parties	22	-	-	-	-
Inter-corporate deposit	300	-	-	-	-
Less : Provision for diminution in the value of Inter-corporate deposit	(300)	-	-	-	-
	-	-	-	-	-
Others					
Loans to employees	12	4	6	6	6
Prepaid expenses	494	94	62	104	47
Advance for expenses	54	44	5	4	-
Other receivables	-	22	74	37	75
Total	**647**	**164**	**147**	**151**	**128**

21. Other current assets (Rs in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Asset held for sale (refer note 21.1)	1,017	1,017	130	138	139
Interest accrued on investments	96	56	167	141	43
Gratuity asset (net)	-	1	18	22	18
Total	**1,113**	**1,074**	**315**	**301**	**200**

21.1. Asset held for sale consists of properties purchased by the Company in auction under SARFAESI Act being non banking asset.

22. Revenue from operations (Rs in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income					
Interest on housing and property loans	70,536	19,482	17,864	16,378	13,895
Interest on fixed deposits	171	410	188	181	199
Interest on government bonds	68	45	37	36	39
Other interest	5	4	2	3	2
	70,780	19,941	18,091	16,598	14,135
Revenue from other financial services					
Loan processing fee	5,255	787	740	757	643
Other loan related charges	1,681	434	439	512	216
	6,936	1,221	1,179	1,269	859
Intermediary services	628	36	11	4	-
Other operational treasury income (net)					
Dividend income	-	-	-	-	15
Profit on sale of investments in mutual funds and other investments	1,462	-	-	-	-
	1,462	-	-	-	15
Total	**79,806**	**21,198**	**19,281**	**17,871**	**15,009**

22.1 Revenue from other financial services is net of the amount paid / payable towards Business Sourcing and related expenses :

(Rs in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Business sourcing expenses	2,490	25	9	3	7

22.2 The Company has de-recognized total interest income on Non Performing Assets in accordance with the requirement of the National

(Rs in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest income de-recognized upto respective financial year	1,621	648	470	308	199

23. Other income (Rs in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Profit on sale of fixed assets	-	1	-	-	-
Miscellaneous income	12	2	2	1	6
Rent income	2	1	1	-	-
Total	**14**	**4**	**3**	**1**	**6**

24. Finance costs (Rs in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Interest on term loans	31,896	13,256	12,798	11,500	9,726
Interest on fixed deposits	740	561	268	188	148
Interest on non convertible debentures	9,150	634	-	-	-
Interest on others	3,564	-	-	25	-
Finance charges	851	181	128	93	63
Total	**46,201**	**14,632**	**13,194**	**11,806**	**9,937**

25. Employee benefits expense (Rs in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Salaries, bonus and other allowances	8,639	1,437	1,046	895	730
Contribution to provident fund and other funds	950	272	83	79	69
Staff welfare expenses	289	19	19	14	13
Total	**9,878**	**1,728**	**1,148**	**988**	**812**

26. Admin and other expenses (Rs in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Rent	806	184	148	129	110
Rates and taxes	4	16	1	57	2
Travelling expenses	997	74	63	43	41
Printing and stationery	256	40	32	24	12
Advertisement and business promotion	573	33	71	27	14
Insurance	239	16	9	19	15
Legal and professional charges	513	54	122	44	44
Auditors remuneration (refer note below 26.2)	65	34	28	22	17
Postage, telephone and other communication expenses	431	110	102	109	92
General repairs and maintenance	138	18	17	29	20
Bad-debts written off (net of utilised from Provision Rs. 286 Lakh during March 31, 2018)	332	21	-	-	6
Electricity charges	189	26	21	18	15
Directors sitting fees and commission	47	15	14	7	3
Corporate social responsibility expenses (refer note below 26.1)	23	35	13	10	-
Goods and service tax /service tax expenses	509	5	-	-	-
Loss on sale of fixed assets	-	2	-	-	-
Other expenses	364	103	46	36	28
Total	**5,486**	**786**	**687**	**574**	**419**

26.1 a) The gross amount required to be spent by company :

(Rs in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Amount required to be spent	110	80	70	53	-

b) Amount mentioned above were paid in cash during the respective financial year and were incurred for the purpose other than construction / acquisition of any asset.

26.2 Details of auditors remuneration :

(Rs in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Audit fees	57	25	22	22	17
Tax audit fees	8	5	3	-	-
Audit fees of branch auditors	-	4	3	-	-
Total	65	34	28	22	17

26.3 Directors sitting fees and commission includes Rs. 15 Lakh of commission which will be paid after the financial statements for FY 2018 are adopted by the Members of the Company at the ensuing Annual General Meeting.

27. Earnings per share

The following is the computation of earnings per share on basic and diluted earnings per equity share:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Net profit after tax attributable to equity shareholders (Rs. In Lakh)	9,973	2,321	2,672	2,837	2,625
Add: Additional profit on Amalgamation	-	2,587	-	-	-
Adjusted profit after tax attributable to equity shareholders (Rs. In Lakh)	9,973	4,908	2,672	2,837	2,625
Weighted average number of equity shares outstanding during the year (Nos)	2,14,65,292	1,99,86,317	1,10,80,705	1,10,80,705	1,10,80,705
Add: Effect of potential issue of shares / stock options *	-	-	-	-	-
Weighted average number of equity shares outstanding during the year and potential shares outstanding (Nos) (refer Note 28)	2,14,65,292	1,99,86,317	1,10,80,705	1,10,80,705	1,10,80,705
Face value per equity share (Rs.)	10	10	10	10	10
Basic earnings per equity share of Rs 10/- each	46.46	24.56	24.12	25.61	23.69
Diluted earnings per equity share of Rs 10/- each	46.46	24.56	24.12	25.61	23.69

* not considered when anti-dilutive

28. Amalgamation

i. In terms of the Scheme of Amalgamation ("the Scheme"), approved by the National Company Law Tribunal ("NCLT") on October 27, 2017, with an appointed date of April 01, 2016 and an effective date of November 20, 2017 ('the Effective Date'), being the date on which all the requirement of Companies Act, 2013 were completed, Aadhar Housing Finance Limited (the "Transferor Company") has been amalgamated with the Company ("Transferee Company"). Upon the amalgamation, the undertaking and the entire business, including all assets and liabilities of erstwhile Aadhar Housing Finance Limited stand transferred to and vested in the Transferee Company. The amalgamation has been accounted under "Purchase Method" as envisaged in the Scheme and Accounting Standard (AS) – 14 "Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules, 2006. Accordingly, the assets and liabilities taken over on amalgamation of the Transferor Company are fair valued as on the appointed date. Further, in consideration, the Company has issued equity shares in accordance with the approved swap ratio to the shareholders of the Transferor Company. These shares are fair valued for the purpose of recording in the books of account (capital and share premium) based on the equity valuation considered in arriving at the swap ratio by an independent firm of Chartered Accountants.

As per the Scheme, the name of the transferee company DHFL Vysya Housing Finance Limited was changed to Aadhar Housing Finance Limited, name of the transferor Company.

ii. Details of the fair value of assets and liabilities as at April 01, 2016 acquired on amalgamation and treatment of the difference between the fair value of net assets acquired is as under:

Particulars	Rs. in Lakh
Fixed assets	861
Housing and other loans	1,93,540
Investments	1,950
Cash and bank balances	10,909
Trade receivables	362
Loans and Advances	136
Other assets	1,163
Deferred tax assets (net)	242
Total assets (A)	**2,09,163**
Borrowings	1,45,316
Provisions	1,959
Other liabilities	36,205
Total liabilities (B)	**1,83,469**
Net assets (C=A-B)	**25,683**
Liabilities recorded towards merger expenses (including provision on standard assets)(D)	133
Net assets accounted on amalgamation (E=C-D)	**25,550**
Fair value of 84,03,362 equity shares at Rs 291.5 each to be issued to the equity	24,495

Particulars	Rs. in Lakh
shareholders of Transferor Company as at April 01, 2016 **(F)**	
Amalgamation adjustment reserve (to the extent of Statutory reserve) **(G)**	1,029
Capital reserve on amalgamation (I = E-F-G)	**26**
Accounted as	
Issue of 84,03,362 equity shares at Rs 10, the same has been credited to share capital suspense account These have been considered for the purpose of EPS calculation.	840
Securities premium on 84,03,362 equity shares of Rs 10 each at fair value per share Rs. 291.50/-.	23,655
Amalgamation adjustment reserve	1,029
Capital reserve on amalgamation	26
Total	**25,550**

In addition, the Transferor Company had issued shares of Rs. 5,000 lakh in December 2016. As per the Order, the Transferee Company has issued 17,22,000 equity shares of Rs 10 each at fair value per share Rs. 291.50/- aggregating to Rs 5,020 lakh against these shares. Thus the capital reserve on this issue is adjusted against the above Capital reserve on amalgamation resulting in a net capital reserve of Rs. 6 lakh.

The fair value surplus arising on the amalgamation amounting to Rs 12,400 lakh is being amortised over a period of eight years being the fair estimate of the enduring benefits. Accordingly the charge for the year ended March 31, 2018 is Rs 1,550 lakh (Rs 1,550 lakh for the year ended March 31, 2017, debited to opening reserves) is debited to the Statement of Profit and Loss.

As the scheme has become effective from 20th November, 2017, the figures for the current year includes the operations of both the Transferor Company and Transferee Company. The profit for the year ended March 31, 2017 amounting to Rs. 2,587 Lakh has been adjusted to the opening reserves. Accordingly, the current year's figures are not strictly comparable to that of the previous year.

29. Contingent liabilities

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Income tax matters of earlier years	127	149	136	129	117

The aforementioned contingent liabilities towards income tax have been paid under protest.

30. Commitments

30.1 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for :

(Rs. in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Estimated amount of contracts remaining to be executed on capital account	100	-	-	-	-

30.2 Undisbursed amount of loans sanctioned and partly disbursed :

(Rs. in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Undisbursed amount of loans sanctioned and partly disbursed	49,058	7,096	4,541	3,965	4,035

31. Operating lease

The Company is obligated under non-cancellable leases for office space that are renewable on a periodic basis at the option of both lessor and lessee.

Future minimum lease payments under non-cancellable operating leases are as follows :

(Rs. in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Not later than 1 Year	348	Nil	Nil	Nil	Nil
Later than 1 Year and not later than 5 years	865	Nil	Nil	Nil	Nil
More than 5 Years	345	Nil	Nil	Nil	Nil

32. Segment reporting

The Company is engaged in the Housing Finance business - Financial Services and all other activities are incidental to the main business activity, and have its operations within India. Accordingly there are no separate reportable segments as per Accounting Standard 17 (AS-17) " Segment Reporting".

33. Employee benefits

33.1 The company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Contribution to provident fund	210	89	75	69	62
Contribution to pension fund	132	-	-	-	-
Contribution to ESIC	17	7	4	4	4

33.2 The company provides gratuity and leave encashment benefits to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the funded status of the Gratuity and Compensated Absences benefit scheme and the amount recognised in the Financial Statements:

i. Changes in Defined Benefit Obligation

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017		the year ended March 31, 2016	the year ended March 31, 2015	the year ended March 31, 2014
	Gratuity	Compensated absences	Gratuity	Compensated absences	Gratuity	Gratuity	Gratuity
Liability at the beginning of the year	104	163	79	12	71	60	57
Acquired on amalgamation	119	347	-	-	-	-	-
Current service cost	75	165	12	152	8	7	7
Interest cost	15	34	6	1	6	6	5
Plan Amendment Cost	24	-	-	-	-	-	-
Actuarial (gain) /losses	98	166	7	-	(3)	1	(6)
Benefits paid	(20)	(85)	-	(2)	(3)	(3)	(3)
Liability at the end of the year	415	790	104	163	79	71	60

ii. Changes in Fair Value of Plan Assets

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Gratuity	Gratuity
Plan Assets at the beginning of the year	105	-	97	-	93	78	77
Acquired on amalgamation	117	248	-	-	-	-	-
Expected return on plan assets	23	24	8	-	7	7	6
Actuarial Gain/(Loss)	(10)	(1)	-	-	-	2	(3)
Employer Contribution	176	96	-	-	-	9	-
Benefits Paid	(4)	-	-	-	(3)	(3)	(2)
Plan Assets at the end of the year	407	367	105	-	97	93	78

iii. Reconciliation of Fair Value of Assets and Obligations

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Gratuity	Gratuity
Fair value of Plan Assets at the end of the year	407	367	105	-	97	93	78
Present Value of Obligation	415	790	104	163	79	71	60
Amount Recognised in Balance Sheet	(8)	(423)	1	(163)	18	22	18

iv. Expenses recognized in Statement of Profit and Loss

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Gratuity	Gratuity
Current Service Cost	75	165	12	152	8	7	7
Interest Cost	15	34	6	1	6	6	5
Expected Return on Plan Assets	(23)	(24)	(8)	-	(7)	(7)	(6)
Net Actuarial (Gain)/ loss to be recognized	108	167	7	-	(3)	(1)	(2)
Plan Amendment cost / Direct Payment	25	21	-	-	-	-	-
Expenses recognized in the profit and loss	175	343	17	153	4	5	2

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Gratuity	Gratuity
account under employee expenses							

v. Actuarial Assumptions

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017		For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
	Gratuity	Compensated Absences	Gratuity	Compensated Absences	Gratuity	Gratuity	Gratuity
Mortality Table	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)	(Ultimate)
Discount Rate	7.6%	7.6%	7.1%	7.1%	7.85%	7.99%	9.29%
Expected rate of return on plan asset (per annum)	7.5%	7.5%	7.85%	NA	7.85%	7.99%	9.29%
Salary Escalation Rate	8%	8%	5%	5%	4.31%	4.7%	5.5%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary.

The expected rate of return on plan asset is determined considering several applicable factors , mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Company's policy for plan assets management.

vi. Amount recognised in current year and previous year

Gratuity :

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Defined benefit obligation	415	104	79	71	60
Fair value of plan asset	407	105	97	93	78
(Surplus)/ Deficit in the plan	8	(1)	(18)	(22)	(18)
Actuarial (gain)/loss on plan obligation	98	7	(4)	1	(6)
Actuarial gain/(loss) on plan asset	(10)	-	-	2	(3)

Compensated Absences :

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Defined benefit obligation	790	163	NA	NA	NA
Fair value of plan asset	367	-	NA	NA	NA
(Surplus)/ Deficit in the plan	423	163	NA	NA	NA
Actuarial (gain)/loss on plan obligation	135	-	NA	NA	NA
Actuarial gain/(loss) on plan asset	1	-	NA	NA	NA

34. Employee stock option plan

Employee Stock Appreciation Rights Plan 2018 (“ESAR 2018” / “Plan”)

During the year, the Company has approved the ESAR 2018, which covers eligible employees of the Company. The scheme was approved by the shareholders of the company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on March 26, 2018.

ESAR 2018 plan will be effective from April 1, 2018.

35. Foreign currency transactions

(Rs. in Lakh)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Foreign business travel	4	-	-	-	-
Directors sitting fees (IFC)	3	-	-	-	-
Total	**7**	**-**	**-**	**-**	**-**

36. Related party transactions

List of related parties with whom transactions have taken place during the year and relationship:

S.No	Relationship	Name of Related Party
1.	Holding Company	Wadhawan Global Capital Limited (Formerly Known as Wadhawan Global Capital Private Limited)
2.	Enterprise having Significant Control	International Finance Corporation (Washington)
3.	Wholly Owned Subsidiary	Aadhar Sales and Service Private Limited (w.e.f July 11, 2017)
4.	Associate Companies	Dewan Housing Finance Corporation Limited
5.	Other Group Companies	DHFL Pramerica Life Insurance Company Limited
		DHFL General Insurance Limited
		DHFL Sales and Services Private Limited
		DHFL Pramerica Asset Manager
		Avanse Financial Services Limited
		Aadhar Housing Finance Limited (Erstwhile Company)
6.	Key Management Personal	Kapil Wadhawan – Chairman and Director
		Deo Shankar Tripathi - Managing Director and CEO (w.e.f 21-11-2017)
		Shri. R Nambirajan Managing Director (upto 02-07-2017)

Transactions with Related Parties:

(Rs. in Lakh)

Name	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Income :						
DHFL Pramerica Life Insurance Company Limited	Intermediary Services	254	36	-	-	-
DHFL General Insurance Limited	Intermediary Services	283	-	-	-	-
Dewan Housing Finance Corporation Limited	Other Income	1	-	-	-	-
Aadhar Housing Finance Limited	Rent Income	NA	-	1	-	-
Aadhar Sales and Services Private Limited	Rent Income	2	-	-	-	-
Aadhar Sales and Services Private Limited	Recovery of Expenses	29	-	-	-	-
Expenditure:						
Aadhar Sales and	Services	913	-	-	-	-

Name	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Services Private Limited						
Dewan Housing Finance Corporation Limited	Services	90	27	29	22	5
Wadhawan Global Capital Limited	Services	-	-	-	2	-
Dewan Housing Finance Corporation Limited	Rent	152	-	-	-	-
Dewan Housing Finance Corporation Limited	Legal and Professional Fees	6	-	-	-	-
DHFL Pramerica Life Insurance Company Limited	Insurance Premium	6	4	3	3	-
Deo Shankar Tripathi – Managing Director and CEO	Remuneration	191	-	-	-	-
Shri. R Nambirajan	Remuneration	38	87	77	64	50
Dividend Payment :						
Wadhawan Global Capital Limited	Dividend Payment	651	93	1,023	232	-
Dewan Housing Finance Corporation Limited	Dividend Payment	73	10	115	26	79
Others :						
Aadhar Sales and Services Private Limited	Investment	1	-	-	-	-
Wadhawan Global Capital Limited	Proceeds received on allotment of Equity Shares	5,000	-	-	-	-
International Finance Corporation	Proceeds received on allotment of Equity Shares	6,500	-	-	-	-
Aadhar Housing Finance Limited	Unsecured Loan Given	NA	-	-	500	-
Aadhar Housing Finance Limited	Unsecured Loan Repaid	NA	-	-	500	-

Balances with Related Parties:

(Rs. in Lakh)

Name	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Dewan Housing Finance Corporation Limited	Receivable	20	-	-	-	-
Dewan Housing Finance Corporation Limited	Payable	105	-	-	-	-
Dewan Housing Finance Corporation Limited	Deposit	16	-	-	-	-
Aadhar Sales and Services Private Limited	Investment	1	-	-	-	-
Aadhar Sales and Services Private	Deposit	65	-	-	-	-

Name	Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Limited						
Aadhar Sales and Services Private Limited	Receivable	2	-	-	-	-
DHFL Pramerica Life Insurance Company Limited	Receivable	71	-	-	-	-
DHFL Pramerica Life Insurance Company Limited	Deposit	22	10	-	-	-
DHFL General Insurance Limited	Receivable	168	-	-	-	-
DHFL General Insurance Limited	Deposit	20	-	-	-	-

37. Disclosure of details as required under notification issued by NHB dated February 09, 2017, NHB.HFC.CG-DIR.1/MDandCEO/2016:

37.1 Capital to Risk Asset Ratio (CRAR)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
CRAR	18.76%	19.37%	23.12%	18.32%	18.04%
CRAR-Tier I Capital	16.23%	18.41%	22.13%	17.54%	17.27%
CRAR- Tier II Capital	2.54%	0.96%	0.99%	0.78%	0.77%
Amount of subordinated debt raised as Tier-II Capital (Rs in Lakh)	8,040	Nil	Nil	Nil	Nil
Amount raised by issue of perpetual debt instruments	Nil	Nil	Nil	Nil	Nil

37.2 Derivatives transaction entered by company

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Derivatives transaction entered by company	Nil	Nil	Nil

* For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.3 Maturity pattern of certain items of assets and liabilities as per Asset Liability Management system of the company is as under:

As at March 31, 2018

(Rs. in Lakh)

Particulars	Liabilities			Assets	
	Deposits	Borrowings from Bank	Market Borrowings	Housing and Other Loans	Investments
1 day to 30 / 31 days (One Month)	583	4,624	2,500	3,155	25,000
Over 1 month and upto 2 Months	139	1,834	22,248	2,650	-
Over 2 months and upto 3 Months	323	12,212	14,893	2,672	-
Over 3 months and upto 6 Months	853	17,810	2,430	8,145	156
Over 6 Months and upto 1 Year	1,409	38,403	2,500	16,848	347
Over 1 year and upto 3 Years	4,102	1,62,349	46,900	73,370	135
Over 3 years and upto 5 Years	867	1,25,912	22,250	82,755	-
Over 5 years and upto 7 Years	50	68,273	11,030	89,083	-
Over 7 years and upto 10 Years	75	36,055	20,860	1,33,195	-
Over 10 Years	-	11,765	-	3,20,794	1,248

Significant accounting policies and notes to the accounts to the reformatted standalone financial statements

As at March 31, 2017

(Rs. in Lakh)

Particulars	Liabilities			Assets	
	Deposits	Borrowings from Bank	Market Borrowings	Housing and Other Loans	Investments
1 day to 30 / 31 days (One Month)	307	293	-	1,110	-
Over 1 month and upto 2 Months	78	891	-	1,017	-
Over 2 months and upto 3 Months	122	6,057	-	1,024	-
Over 3 months and upto 6 Months	732	7,160	-	3,111	-
Over 6 Months and upto 1 Year	1,295	13,924	-	6,408	1,113
Over 1 year and upto 3 Years	2,889	46,948	-	28,273	488
Over 3 years and upto 5 Years	1,209	31,621	1,000	31,380	-
Over 5 years and upto 7 Years	53	19,041	6,300	30,607	-
Over 7 years and upto 10 Years	68	18,985	2,640	38,429	-
Over 10 Years	-	8,181	-	39,641	480
Total	6,753	1,53,101	9,940	1,81,000	2,081

As at March 31, 2016

(Rs. in Lakh)

Particulars	Liabilities		Assets		
	Borrowings from Bank	Market Borrowings	Housing and Other Loans	Investments	Cash & Bank Balances
1 day to 30 / 31 days (One Month)	290	211	1,118	-	8,986
Over 1 month and upto 2 Months	561	47	962	-	-
Over 2 months and upto 3 Months	6,305	129	970	-	-
Over 3 months and upto 6 Months	7,104	279	2,955	-	-
Over 6 Months and upto 1 Year	13,500	581	6,086	130	-
Over 1 year and upto 3 Years	44,435	1,850	27,424	584	-
Over 3 years and upto 5 Years	30,443	309	24,955	-	-
Over 5 years and upto 7 Years	15,503	45	22,946	-	-
Over 7 years and upto 10 Years	11,436	9	29,861	-	-
Over 10 Years	7,316	-	29,480	-	-
EMI NPA Account	-	-	162	-	-
Total	1,36,893	3,460	1,46,919	714	8,986

As at March 31, 2015

(Rs. in Lakh)

Particulars	Liabilities		Assets		
	Borrowings from Bank	Market Borrowings	Housing and Other Loans	Investments	Cash & Bank Balances
1 day to 30 / 31 days (One Month)	379	103	1,270	-	4,781
Over 1 month and upto 2 Months	455	37	902	-	-
Over 2 months and upto 3 Months	5,326	39	910	-	-
Over 3 months and upto 6 Months	6,147	188	2,777	-	-
Over 6 Months and upto 1 Year	11,934	394	5,768	138	-
Over 1 year and upto 3 Years	41,955	1,059	26,056	99	-
Over 3 years and upto 5 Years	25,078	153	20,802	472	-
Over 5 years and upto 7 Years	12,767	50	18,914	-	-
Over 7 years and upto 10 Years	10,115	-	24,798	-	-
Over 10 Years	6,604	-	29,718	-	-
EMI NPA Account	-	-	117	-	-
Total	1,20,760	2,023	1,32,032	709	4,781
Long Term	96,519	1,262	1,20,390	571	-
Short Term	24,241	761	11,642	138	4,781
Total	1,20,760	2,023	1,32,032	709	4,781

As at March 31, 2014

(Rs. in Lakh)

Particulars	Liabilities		Assets		
	Borrowings from Bank	Market Borrowings	Housing and Other Loans	Investments	Cash & Bank Balances
1 day to 30 / 31 days (One Month)	1,709	134	975	-	9,076
Over 1 month and upto 2 Months	-	25	714	-	-

Particulars	Liabilities		Assets		
	Borrowings from Bank	Market Borrowings	Housing and Other Loans	Investments	Cash & Bank Balances
Over 2 months and upto 3 Months	3,075	28	719	-	-
Over 3 months and upto 6 Months	4,642	163	2,193	-	-
Over 6 Months and upto 1 Year	9,018	325	4,529	139	-
Over 1 year and upto 3 Years	34,151	743	20,270	2	-
Over 3 years and upto 5 Years	25,085	100	16,854	538	-
Over 5 years and upto 7 Years	14,210	38	15,746	-	-
Over 7 years and upto 10 Years	7,538	-	21,046	-	-
Over 10 Years	8,245	-	29,475	-	-
EMI NPA Account	-	-	91	-	-
Total	107,673	1,556	112,612	679	9,076
Long Term	89,229	881	103,457	540	
Short Term	18,444	675	9,155	139	9,076
Total	107,673	1,556	112,612	679	9,076

Company has no Foreign Currency Assets and Liabilities as at March 31, 2018 (March 31, 2017 : Nil).

37.4 Exposure to Real Estate Sector

(Rs. in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
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	4,89,331	1,21,888	1,02,193	88,833	77,911
· Others	1,35,038	46,955	36,683	35,089	26,513
(ii) Commercial Real Estate					
Lending secured by mortgages on commercial real estates					
· Funds Based	1,733	689	662	1,219	1,395
· Non-Funds Based	-	-	-	-	-
· Others	1,09,168	11,229	7,219	6,774	6,702
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures					
. Residential	-	-	-	-	-
. Commercial Real Estate	-	-	-	-	-
B. INDIRECT EXPOSURE					
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-	-	-	-

37.5 Exposure to Capital Market

(Rs. in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(i) Direct investment in equity shares	5	5	5

* For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

The company does not have any other exposure to capital market.

37.6 Details of financing parent company products

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Financing parent company products	Nil	Nil	Nil

* For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.7 The Exposure to a single borrower and group of borrower does not exceed the limit stipulated by the NHB prudential norms applicable to Housing Finance Companies.

37.8 Unsecured Advances

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Unsecured Advances	Nil	Nil	Nil

* For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.9 Registration obtained from other financial sector regulators

Regulator	Registration Number
IRDA Registration as Corporate Agent(Composite)	Registration Code :- CA0012
AMFI Registered Mutual Fund Advisor	AMFI Registration No. :- ARN – 102681
IRDA Registration as Corporate Agent(Composite)	Registration Code :- CA0141
AMFI Registered Mutual Fund Advisor	AMFI Registration No.:- ARN – 103958
LEI	335800JQMNJOX3W7LY96
SEBI	SCRIP CODE NCDs(BSE) : 953947
RBI	RBI Registration Number : FC 11 BYR 0068

37.10 Disclosure of penalties imposed by NHB and other regulators
Nil during the year ended March 31, 2018

37.11 Rating assigned by Credit Rating Agencies and migration of rating during the year.

Name of the Rating Agency	Type	Rating
CARE	Long Term Bank Facilities	CARE AA+ (SO)
CARE	Non-Convertible Debentures	CARE AA+ (SO)
CARE	Subordinated Debt	CARE AA (SO)
BRICKWORKS	Non-Convertible Debentures	BWR AA+ (SO)
BRICKWORKS	Subordinated Debt	BWR AA+ (SO)
CRISIL	Commercial Paper	CRISIL A1+
CRISIL	Fixed Deposits	FAA - / Stable
ICRA	Commercial Paper	ICRA A1+

37.12 Remuneration of Non-Executive Directors.

For the year ended March 31, 2018

(In Rs.)

Name of the Director	Sitting Fee	Commission*	Total
Shri. Kapil Wadhawan	2,13,334	-	2,13,334
Shri. G P Kohli	9,82,225	2,00,000	11,82,225
Shri. Bikram Sen	3,39,446	2,00,000	5,39,446
Shri. Sridar Venkatesan	6,81,669	38,904	7,20,573
Ms. Sasikala Varadachari	2,78,889	-	2,78,889
MK Chouhan	2,69,683	-	2,69,683

* This does not include Rs. 15,00,000 provision made towards commission to directors for the financial year 2017-18.

For the year ended March 31, 2017

(Rs in Lakh)

Name of the Director	Sitting Fee	Commission*	Total
Shri. Kapil Wadhawan	1.39	-	1.39
Shri. G P Kohli	5.00	2.00	7.00
Shri. Bikram Sen	3,33	2.00	5.33
Shri. Sridar Venkatesan	1.11	-	1.11

* For year ended March 31, 2016, March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.13 Net profit or Loss for the period, prior period items and changes in accounting policies
No Change in Accounting Policies during the year ended March 31, 2018.

Additional Disclosures

37.14 Provisions and Contingencies
Break up of provisions and contingencies shown under the head Expenditure in Profit and Loss Account

(Rs. in Lakh)

S.No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
1.	Provisions for depreciation on Investment	14	(2)	(11)
2.	Provision made towards Income Tax	5,673	1,255	1,329
3.	Provision towards NPA	1,061	281	181
4.	Provision for Standard Assets	913	145	47
5.	Other Provision (Expenses) and Contingencies			
5a.	(a) Provision for Expenses	1,143	122	122
5b.	(b) Provision for Dividend and Dividend Distribution Tax	-	934	133

*For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.15 Break up of Loan and Advances and Provisions thereon

(Rs. in Lakh)

Particulars	Housing			Non-Housing		
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Standard Assets						
a) Total Outstanding Amount	5,87,040	1,62,028	1,34,171	1,39,816	16,161	10,899
b) Provisions made	1,632	677	574	1,003	116	74
Sub-Standard Assets						
a) Total Outstanding Amount	3,790	1,796	1,077	318	83	39
b) Provisions made	766	270	163	71	13	6
Doubtful Assets - Category – I						
a) Total Outstanding Amount	2,634	212	318	183	26	18
b) Provisions made	739	54	88	51	7	4
Doubtful Assets - Category – II						
a) Total Outstanding Amount	848	347	152	101	35	48
b) Provisions made	385	140	62	51	14	18
Doubtful Assets - Category – III						
a) Total Outstanding Amount	390	154	96	107	97	53
b) Provisions made*	390	160	98	107	100	54
Loss Assets						
a) Total Outstanding Amount	43	40	34	-	20	16
b) Provisions made	43	40	34	-	20	16
TOTAL						
a) Total Outstanding Amount	5,94,745	1,64,577	135,847	1,40,525	16,422	11,073
b) Provisions made	3,955	1,341	1,020	1,283	270	173

* The provision amount includes SARFAESI Expenses.

**For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.16 Concentration of Public Deposits

(Rs. in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Total Deposits of twenty largest depositors	1,892	1,496	587
Percentage of Deposits of twenty largest deposits to Total Deposits of the HFC	22.53%	22.15%	16.96%

*For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.17 Concentration of Loans and Advances

(Rs. in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Total Loans and Advances to twenty largest borrowers	10,460	8,439	9,581
Percentage of Loans and Advances to twenty largest borrowers to Total Advances of the HFC	1.42%	4.66%	6.52%

*For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.18 Concentration of all Exposure (including off-balance sheet exposure)

(Rs. in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Total Loans and Advances to twenty largest borrowers	10,770	9,303	10,294
Percentage of Loans and Advances to twenty largest borrowers / customers to Total exposure of the HFC on borrowers / customers.	1.46%	4.95%	6.80%

*For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.19 Concentration of NPAs

(Rs. in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Total Exposure to top ten NPA accounts	4,155	1,431	1,137

*For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.20 Sector-wise NPAs

S.No.	Particulars	Percentage of NPAs to Total Advances in that Sector FY 2017-18	Percentage of NPAs to Total Advances in that Sector FY 2016-17
A.	**Housing Loan**		
1.	Individuals	0.61%	0.95%
2.	Builders / Project Loans	29.15%	10.99%
3.	Corporate	-	-
4.	Others	-	-
B.	**Non Housing Loans:**		
1.	Individuals	0.69%	2.17%
2.	Builders / Project Loans	-	-
3.	Corporate	-	-
4.	Others	-	-

*For year ended March 31, 2016, March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.21 Movement of NPAs

(Rs. in Lakh)

S.No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
i)	Net NPAs to Net Advances (%)	0.78%	1.11%	0.89%
ii)	Movement of NPAs (Gross)			
	a) Opening Balance	2,811	1,850	1,099
	b) Transferred on Amalgamation	3,276	-	-
	c) Additions during the year	3,966	1,895	1,107
	d) Reductions during the year	1,423	934	356
	e) Closing Balance	8,629	2,811	1,850
iii)	Movement of Net NPAs			
	a) Opening Balance	1,993	1,305	735
	b) Transferred on Amalgamation	2,216	-	-
	c) Additions during the year	2,761	1,462	925
	d) Reductions during the year	1,231	774	355
	e) Closing Balance	5,739	1,993	1,305

S.No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
iv)	Movement of provisions for NPAs (excluding provision on standard assets)			
	a) Opening Balance	818	545	364
	b) Transferred on Amalgamation	1,060	-	-
	c) Additions during the year	1,205	433	182
	d) Reductions during the year	192	160	1
	e) Closing Balance	2,891	818	545

*For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.22 Overseas Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Overseas Assets	Nil	Nil	Nil

* For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable.

37.23 Off- Balance Sheet SPV's sponsored (which are required to be consolidated as per accounting norms)
Overseas : Nil
Domestic : Nil

37.24 Disclosure of Complaints

S.No.	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
a)	No. of complaints pending at the beginning of the year	4	3*	0
b)	No. of complaints received during the year	660	282	20
c)	No. of complaints redressed during the year	658	281	20
d)	No. of complaints pending at the end of the year	6	4	0

* includes complaints of erstwhile Aadhar Housing Finance Limited

** For year ended March 31, 2015 and March 31, 2014 the above disclosure was not applicable

38. Previous year's figures have been regrouped/re-classified wherever necessary to confirm to current year's classification. Accordingly, amounts and other disclosures for the previous year are included as an integral part of the current year's financial statement and are to be read in relation to the amounts and other disclosures relating to the current year.

For Chaturvedi SK and Fellows
Chartered Accountants
ICAI FRN:112627W

For Deloitte Haskins and Sells LLP
Chartered Accountants
ICAI FRN : 117366W/W-100018

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Managing Director and CEO
DIN 07153794

Suresh Mahalingam
Director
DIN 01781730

Srikant Chaturvedi
Partner
ICAI MN: 070019

G.K Subramaniam
Partner
ICAI M N : 109839

G. P. Kohli
Director
DIN 00230388

Anmol Gupta
Chief Financial Officer

Place: Mumbai
Dated: July 6, 2018

Place: Mumbai
Dated: July 6, 2018

Srikant V.N.
Company Secretary

ACCOUNTING RATIO STATEMENT ON STANDALONE BASIS

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Earnings Per Share : (In Rs.)					
-Basic	46.46	24.56	24.12	25.61	23.69
-Diluted	46.46	24.56	24.12	25.61	23.69
Return on Equity (In %)	28%	18%	21%	24%	27%
Book Value Per Equity Share (In Rs.)	278.19	138.74	132.49	118.90	103.98
Debt/Equity Ratio (In Times)	9.05	11.04	9.56	9.32	9.48

Notes :

1 Earnings per share = Profit after tax/ Equity Share outstanding at the end of year

2 Return on Equity = (Profit after tax + Provision for Contingencies) / Average Net worth

3 Book Value Per Equity Share = Net worth/Number of Equity Shares outstanding at the end of year

4 Debt/Equity Ratio = Total Debt outstanding at the end of year / Net worth

CAPITALISATION STATEMENT ON STANDALONE BASIS AS AT MARCH 31, 2018

(Rs in Lakh)

Particulars	Prior to the Issue (as of March 31, 2018)	Increase pursuant to the Issue	Post-Issue [1]
Debt			
Short term debt [2]	37,345	-	37,345
Long term debt [3]	5,95,904	3,00,000	8,95,904
Total debt	**6,33,249**	**3,00,000**	**9,33,249**
Shareholders Fund			
Share capital	2,515	-	2,515
Reserves and surplus excluding revaluation reserve	67,439	-	67,439
Total shareholders' funds	**69,954**	**-**	**69,954**
Long term debt/ equity (In times)[4]	8.52		12.81
Total debt/ equity (In times)[3]	9.05		13.34

Notes :

1 The debt-equity ratio post the Issue is indicative on account of the assumed inflow of Rs. 300,000 lakhs from the proposed Issue in the secured debt category as on March 31, 2018 only. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

2 Short term debt = Short term borrowings + Unclaimed Matured Deposits and Interest Accrued thereon

3 Long term debt = Long term borrowings + Current Maturities of Long term borrowings

4 Long term debt/equity = Total Long Term Debt outstanding at the end of year / Networth

5 Total debt/equity = Total Debt outstanding at the end of year / Networth

STATEMENT OF DIVIDEND - STANDALONE

(Rs in Lakh except per share data)

Particulars (Standalone)	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014
Equity Share Capital	2,515	1,108	1,108	1,108	1,108
Face Value Per Share	10	10	10	10	10
Interim Dividend on Equity	-	-	554	-	277
Final Dividend on Equity Shares*	-	775	111	665	277
Total Dividend on Equity Shares*	-	775	665	665	554
Dividend Rate (In %)	0%	70%	60%	60%	50%
Dividend Distribution Tax	-	158	135	135	94

* Proposed Final Dividend Rs. 7/- aggregating to Rs 2,119 Lakh, inclusive of tax on dividend in Board Meeting held on April 24, 2018, subject to shareholders approval in ensuing AGM

MATERIAL DEVELOPMENTS

There have been no material developments since March 31, 2018 and there have arisen no circumstances that materially or adversely affect the operations, or financial condition or profitability or credit quality of our Company or the value of its assets or its ability to pay its liabilities with the next 12 months except as stated in the chapter "*Financial Information*" beginning on page 126.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND INDAS

The audited financial statements of the Issuer included in this Draft Shelf Prospectus are presented in accordance with Indian GAAP, which differs from Indian Accounting Standards ("**Ind AS**") in certain respects. The Ministry of Corporate Affairs ("**MCA**"), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled 50 commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. MCA via its notification dated March 30, 2016, has included Housing Finance Companies in the definition of a "Non-Banking Financial Company" ("**NBFCs**"). The notification further explains that NBFCs having a net worth of ₹ 50,000 lakh or more as of March 31, 2016, shall comply with Ind AS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Therefore, the Issuer would be subject to this notification.

National Housing Bank *vide* its policy Circular No.88/2017-18 dated April 16, 2018 has clarified that HFCs are advised to be guided by the extant provisions of IND AS, including the date of implementation i.e. April 1, 2018. HFCs are also required to follow the extant directions on Prudential Norms, including on asset classification, provisioning etc. issued by the National Housing Bank with regards to the implementation of IND AS.

"Summary of Significant Differences among Indian GAAP and Ind AS", does not present all differences between Indian GAAP and Ind AS which are relevant to the Issuer. Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Draft Shelf Prospectus. Furthermore, the Issuer has made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and Ind AS which may result from prospective changes in accounting standards. The Issuer has not considered matters of Indian GAAP presentation and disclosures, which also differ from Ind AS. In making an investment decision, investors must rely upon their own examination of the Issuer's business, the terms of the offerings and the financial information included in this Draft Shelf Prospectus. Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and Ind AS and how those differences might affect the financial information included in this Draft Shelf Prospectus. The Issuer cannot assure that it has completed a comprehensive analysis of the effect of Ind AS on future financial information or that the application of Ind AS will not result in a materially adverse effect on the Issuer's future financial information.

Summary of Significant Differences among Indian GAAP and Ind AS:

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
1.	Presentation of Financial Statements	Other Comprehensive Income: There is no concept of 'Other Comprehensive Income' under Indian GAAP.	<u>Other Comprehensive Income:</u> Ind AS 1 introduces the concept of other Comprehensive Income ("**OCI**"). Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS.
		<u>Extraordinary items:</u> Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	<u>Extraordinary items:</u> Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.
		<u>Change in Accounting Policies:</u>	<u>Change in Accounting Policies:</u>

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
2.	Deferred Taxes	Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.	As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge/ income on account of all Ind AS opening balance sheet adjustments.
3.	Property, plant and Equipment depreciation and residual value – reviewing	Under Indian GAAP, the Company currently provides depreciation on straight line method over the useful lives of the assets estimated by the Management.	Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residualvalue shall be taken prospectively. Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS.
4.	Accounting for Employee benefits	Currently, all actuarial gains and losses are recognized immediately in the statement of profit and loss.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re measurements and the change in asset is split between interest income and re measurements. Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re-measurements are to be recognized directly in OCI.
5.	Accounting for Investments in Subsidiaries/ Associates/ JV in separate	Accounting for investments in subsidiaries/ Associates/JV is governed by Accounting Standard 13 depending on the classification of the investment as current or long term.	Accounting for investments in Subsidiaries / Associates / JV is governed by Ind AS 27 which gives an option to account the same at cost or in accordance with Ind AS 109.

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
	Financial Statements		
6.	Consolidated Financial Statements	Under Indian GAAP the consolidation is driven by the reporting entity's control over its investees namely subsidiaries, associates and joint ventures. Control is: (a) the ownership, directly or indirectly through subsidiary(ies), of more than one-half of the voting power of an entity; or (b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other entity so as to obtain economic benefits from its activities. Therefore, a mere ownership of more than 50 per cent of equity shares is sufficient to constitute control under Indian GAAP, whereas this is not necessarily so under Ind AS.	Control is based on whether an investor has: (a) power over the investee; (b) exposure, or rights, to variable return from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amounts of the returns.
7.	Consolidation - Exclusion of subsidiaries, associates and joint ventures	Excluded from consolidation, equity accounting or proportionate consolidation if the subsidiary/ investment/ interest in joint venture was acquired with intent to dispose of in the near future (which, ordinarily means not more than 12 months, unless a longer period can be justified based on facts and circumstances of the case) or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent/ investor/ venturer.	Consolidated financial statements include all subsidiaries and equity accounted associates and joint ventures. No exemption for "temporary control", "different lines of business" or "subsidiary/ associate/ joint venture that operates under severe long- term funds transfer restrictions" except when the investment is determined as held for sale in accordance with Ind AS.
8.	Consolidation - Joint Ventures	Under Indian GAAP, Proportionate consolidation method is applied when the entity prepares consolidated financial statements.	The equity method, as described in Ind AS 28 is applied when the entity prepares consolidated financial statements.
9.	Provisions, contingent liabilities and contingent assets	Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted	Under IND AS, provisions are recognised for legal as well as constructive obligations. IND AS requires discounting the provisions to present value, if the effect of time value of money is material
10.	Share based payments	Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value. The company followed the intrinsic value method and gave a disclosure for the fair valuation.	Under Ind AS, the share based payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings
11.	The pooling of interests and purchase method	Amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree either at the fair values or at book values.	All business combinations, other than those between entities under common control, are accounted for using the purchase method. An acquirer is

Sr. No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind-AS
		Amalgamations in the nature of merger are accounted under the pooling of interests method.	identified for all business combinations, which is the entity that obtains control of the other combining entity. Business combination transactions between entities under common control should be accounted for using the 'pooling of interests' method.
12.	Presentation and classification of Financial Instruments and subsequent measurement	Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, loan processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss.	Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value. Financial assets have to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss (FVTPL) or recognized in other comprehensive income (FVOCI). Financial assets include equity and debts investments, security receipts, interest free deposits, loans, trade receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method. There are two measurement categories for financial liabilities - FVTPL and amortized cost. Liabilities classified at amortized cost and the related expenses (processing cost & fees) have to be measured using the Effective Interest Rate (EIR) method. Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.
13.	Financial Instruments - Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortized cost or FVOCI, lease receivables, contract assets within the scope of Ind AS 109 and certain written loan commitments and financial guarantee contracts.

FINANCIAL INDEBTEDNESS

Our Company's secured term loans from banks as on June 30, 2018 on a standalone basis

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned (₹ in lakh)	Amount outstanding (₹ in lakh)	Maturity date	Repayment schedule	Pre payment penalty
1	South Indian Bank-1	February 27, 2012	5,000.00	833.33	June 30, 2019	After 1 Year Moratorium Quarterly Repayment	Nil
	South Indian Bank-2	December 31, 2012	5,000.00	1,248.00	December 31, 2019	After 1 Year Moratorium Quarterly Repayment	Nil
	South Indian Bank-3	December 13, 2013	5,000.00	2,060.00	December 31, 2020	After 1 Year Moratorium Quarterly Repayment	Nil
	South Indian Bank	October 29, 2012	5,000.00	1,065.27	October 29, 2019	Quarterly Repayment	Nil
2	Axis Bank Limited	August 8, 2012	5,000.00	2,498.00	August 7, 2022	After 1 Year Moratorium Half yearly Repayment	No charges if 30 days notice given
3	HDFC Bank-1	March 28, 2013	2,500.00	625.00	March 28, 2020	After 1 Year Moratorium Quarterly Repayment	Allowed with 15 days prior notice
	HDFC Bank-2	September 13, 2013	1,500.00	482.14	September 11, 2020	After 1 Year Moratorium Quarterly Repayment	Allowed with 15 days prior notice
	HDFC Bank-4	March 26, 2015	5,000.00	2,678.57	March 26, 2022	After 1 Year Moratorium Quarterly Repayment	Allowed with 15 days prior notice
	HDFC Bank-5	March 11, 2016	7,500.00	4,767.86	March 10, 2023	After 1 Year Moratorium Quarterly Repayment	Allowed with 15 days prior notice
	HDFC Bank-6	March 31, 2017	8,000.00	6,000.00	March 31, 2022	After 1 Year Moratorium Quarterly Repayment	Allowed with 15 days prior notice
	HDFC Bank - II	November 17, 2014	750.00	375.00	November 17, 2021	Quarterly Repayment	Nil
	HDFC Bank - III	November 17, 2014	750.00	225.00	November 17, 2019	Quarterly Repayment	Nil
	HDFC Bank - IV	September 29, 2015	3,000.00	1,350.00	September 29, 2020	Quarterly Repayment	Nil
	HDFC Bank - V	July 29, 2017	7,000.00	6,250.00	July 27, 2024	Quarterly Repayment	As Mutually Agreed
	HDFC Bank 7 new	January 31, 2018	8,000.00 taken in 2 tranches of 2,500.00 and 5,500.00	7,600.00	January 31, 2023	Quarterly Repayment	Allowed with 15 days prior notice
	HDFC Bank 7 new	February 20, 2018			January 31, 2023	Quarterly Repayment	Allowed with 15 days prior notice
4	IDBI Bank -1	June 26, 2013	2,500.00	1,785.71	April 1, 2028	After 1 Year Moratorium Quarterly Repayment	As per bank guidelines
	IDBI Bank -2	February 17, 2014	5,000.00	3,750.00	November 1, 2028	After 1 Year Moratorium Quarterly Repayment	As per bank guidelines
	IDBI Bank - IV	March 28, 2013	4,000.00	2,555.63	August 1, 2026	Monthly repayment	Yes
	IDBI Bank - V	March 27, 2014	4,000.00	2,686.67	March 1, 2026	Quarterly Repayment	Yes
	IDBI Bank - VI	January 28, 2015	5,000.00	2,714.29	June 1, 2022	Quarterly Repayment	Nil
	IDBI Bank - VII	March 30, 2015	5,000.00	3,860.33	June 1, 2028	Quarterly Repayment	Nil

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned (₹ in lakh)	Amount outstanding (₹ in lakh)	Maturity date	Repayment schedule	Pre payment penalty
	IDBI Bank - VIII	March 29, 2016	5,000.00	4,156.98	March 1, 2028	Quarterly Repayment	Nil
	IDBI Bank - IX	December 30, 2016	1,000.00	785.71	December 1, 2023	Quarterly Repayment	Nil
	IDBI Bank - X	March 15, 2017	4,000.00	3,651.85	March 1, 2031	Quarterly Repayment	Nil
	IDBI Bank - XI	November 13, 2017	10,000.00 sanctioned	3,787.65	September 1, 2032	Quarterly Repayment	Nil
	IDBI Bank - XI		disbursed 7,500.00	3,371.43	June 1, 2030	Quarterly Repayment	Nil
5	Andhra Bank	March 29, 2014	5,000.00	3,645.85	March 30, 2027	After 1 Year Moratorium Quarterly Repayment	Yes
	Andhra Bank - II	March 12, 2014	2,500.00	978.57	March 30, 2021	Quarterly Repayment	Nil
	Andhra Bank - III	September 29, 2014	5,000.00	510.86	March 30, 2019	Quarterly Repayment	Nil
	Andhra Bank - IV	February 16, 2018	10,000.00	9,641.55	February 28, 2025	Quarterly Repayment	Nil
	Andhra 2(a)	March 27, 2018	10,000.00	5,000.00	March 27, 2028	After 1 Year Moratorium Quarterly Repayment	Yes
	Andhra 2(B)	March 27, 2018		5,000.00	March 27, 2028	After 1 Year Moratorium Quarterly Repayment	Yes
6	Syndicate Bank	March 29, 2014	5,000.00	2,084.47	December 29, 2020	After 1 Year Moratorium Quarterly Repayment	As per bank guidelines
	Syndicate Bank-Bandra	December 29, 2016	15,000.00	4,375.12	September 30, 2023	After 1 Year Moratorium Quarterly Repayment	As applicable
	Syndicate Bank-Bandra_2	September 29, 2016		9,166.67	September 30, 2023	After 1 Year Moratorium Quarterly Repayment	As applicable
	Syndicate Bank-new	September 22, 2017	10,000.00	10,000.00	September 30, 2024	After 1 Year Moratorium Quarterly Repayment	As applicable
7	Bank of Baroda_1	March 30, 2014	2,500.00	961.54	January 1, 2021	After 1 Year Moratorium Quarterly Repayment	Yes
	Bank of Baroda_2A	March 31, 2017	10,000.00	4,584.00	December 31, 2023	After 1 Year Moratorium Quarterly Repayment	Yes
	Bank of Baroda_2B	March 31, 2017		4,584.00	December 31, 2023	After 1 Year Moratorium Quarterly Repayment	Yes
	BOB 3 (A)	March 21, 2018	20,000.00	10,000.00	March 30, 2025	After 1 Year Moratorium Quarterly Repayment	Yes
	BOB 3 (A)	March 22, 2018		10,000.00	March 30, 2025	After 1 Year Moratorium Quarterly Repayment	Yes
	Bank of Baroda	December 30, 2016	10,000.00	7,477.45	June 1, 2030	Quarterly Repayment	Yes
8	Bank of India	July 10, 2014	5,000.00	3,054.00	October 31, 2023	After 6 Month Moratorium Quarterly Repayment	NO
	Bank of India-2	March 16, 2018	10,000.00	10,000.00	March 31, 2028	Quarterly Repayment	No charges if 30 days notice given
	Bank of India-3	June 1, 2018	10,000.00	9,997.66	June 30, 2029	Quarterly Repayment	

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned (₹ in lakh)	Amount outstanding (₹ in lakh)	Maturity date	Repayment schedule	Pre payment penalty
	Bank of India-4	June 30, 2018	10,000.00	10,000.00	June 30, 2029	Quarterly Repayment	
	Bank of India-5a	June 30, 2018	50,000.00	25,000.00	June 30, 2029	Quarterly Repayment	
	Bank of India-5b	June 30, 2018	50,000.00	25,000.00	June 30, 2029	Quarterly Repayment	
	Bank of India – II	September 25, 2013	5,000.00	1,108.87	March 30, 2020	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
9	Central Bank of India	September 30, 2014	10,000.00	4,999.39	June 30, 2021	After 1 Year Moratorium Quarterly Repayment	No charges if paid in full at time of rate reset with min 15 days advance notice
10	SBI (SBBJ)	November 28, 2014	5,000.00	2,929.76	February 28, 2022	After 1 Year Moratorium Quarterly Repayment	Loan prepaid from own sources nil
11	Lakshmi Vilas Bank	March 30, 2015	2,500.00	1,561.34	March 31, 2022	After 1 Year Moratorium Quarterly Repayment	Nil
12	Bank of Maharashtra	March 31, 2015	2,500.00	1,562.61	June 30, 2022	After 1 Year Moratorium Quarterly Repayment	Yes
	Bank of Maharashtra - II	February 27, 2015	5,000.00	2,497.78	November 27, 2021	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
	Bank of Maharashtra – III	June 28, 2017	5,000.00	4,285.44	June 23, 2024	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
13	Yes Bank Ltd - 3	January 6, 2015	15,000.00	12,177.42	January 6, 2031	After 6 Month Moratorium Monthly Repayment	Nil if prepaid on date of reset
	Yes Bank Ltd - 4	May 2, 2016	4,500.00	4,040.32	April 30, 2032	After 6 Month Moratorium Monthly Repayment	Nil if prepaid on date of reset
	Yes Bank Ltd - 5	March 29, 2017	5,000.00	4,758.06	March 29, 2033	After 6 Month Moratorium Monthly Repayment	Nil if prepaid on date of reset
14	SBI (SBOP)	December 11, 2015	4,000.00	2,994.98	November 30, 2022	After 1 Year Moratorium Quarterly Repayment	Nil
	SBI (SBOP)	March 9, 2016	5,000.00	3,388.34	March 31, 2023	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
15	United Bank of India	December 29, 2015	5,000.00	3,542.00	September 30, 2022	After 1 Year Moratorium Quarterly Repayment	Yes
	United Bank of India – III	March 27, 2015	4,500.00	2,404.45	March 30, 2021	Quarterly Repayment	Nil
	United Bank of India – IV	September 28, 2016	2,000.00	1,763.76	September 28, 2031	Quarterly Repayment	Nil
	United Bank of India – V	September 28, 2016	5,000.00	3,743.09	September 28, 2023	Quarterly Repayment	Nil
	United Bank of India – VI	October 30, 2017	5,000.00	4,641.45	October 30, 2024	Quarterly Repayment	Nil
16	SBI (SBT)	March 29, 2016	5,000.00	1,874.60	January 1, 2023	After 1 Year Moratorium Quarterly Repayment	Yes

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned (₹ in lakh)	Amount outstanding (₹ in lakh)	Maturity date	Repayment schedule	Pre payment penalty
	SBI (SBT)	March 31, 2016		1,874.10	January 1, 2023	After 1 Year Moratorium Quarterly Repayment	Yes
17	Punjab National Bank	March 31, 2016	5,000.00	4,166.63	June 30, 2023	After 1 Year Moratorium Quarterly Repayment	Nil
18	Maharashtra Gramin Bank	March 31, 2016	1,500.00	1,163.73	March 31, 2023	After 1 Year Moratorium Quarterly Repayment	Nil if done within 30 days post reset
19	Federal Bank	June 21, 2016	5,000.00	2,250.00	September 22, 2019	After 6 Months Moratorium Quarterly Repayment	Yes
	Federal Bank-2	September 29, 2017	2,500.00	2,250.00	September 29, 2020	After 6 Months Moratorium Quarterly Repayment	Nil if done within 30 days of reset
	Federal Bank-3	October 31, 2017	2,500.00	2,500.00	October 31, 2020	After 6 Months Moratorium Quarterly Repayment	Nil if done within 30 days of reset
	Federal Bank - I	November 20, 2015	5,000.00	3,291.04	February 21, 2023	Quarterly Repayment	Nil subject to notice of 30 days
	Federal Bank - II	December 2, 2016	5,000.00	3,920.00	November 13, 2023	Quarterly Repayment	Nil subject to notice of 30 days
	Federal Bank - III	August 30, 2017	6,000.00	5,358.00	November 30, 2024	Quarterly Repayment	If taken over by other lender pre-payment charges applicable else nil subject to 30 days notice
20	Union Bank of India	December 31, 2016	7,500.00	4,738.48	June 30, 2023	After 1 Year Moratorium Quarterly Repayment	Nil if paid within 30 days of reset with intimation in 15 days of reset
	Union Bank of India	May 22, 2017		2,172.41	June 30, 2023	After 1 Year Moratorium Quarterly Repayment	Nil if prepaid on date of reset
21	Corporation Bank	December 30, 2016	10,000.00	4,584.00	December 31, 2023	After 1 Year Moratorium Quarterly Repayment	Except on insistence of bank, int reset due & unacceptable & paid in 30 days or from surplus cash accruals form project/ company
	Corporation Bank	March 27, 2016		4,584.00	December 31, 2023	After 1 Year Moratorium Quarterly Repayment	Nil
	Corporation Bank	September 28, 2017	5,000.00	4,462.63	July 30, 2024	Quarterly Repayment	Except on insistence of bank, int reset due & unacceptable & paid in 30 days or from surplus cash accruals form project/ company
22	Catholic Syrian Bank	March 31, 2017	2,500.00	2,401.88	January 31, 2025	After 1 Year Moratorium Quarterly Repayment	No charges if 30 days notice given
23	Indian Overseas Bank	June 29, 2017	10,000.00	10,000.00	June 29, 2024	After 1 Year Moratorium Quarterly Repayment	Nil if done with prior 30 days notice of post reset

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned (₹ in lakh)	Amount outstanding (₹ in lakh)	Maturity date	Repayment schedule	Pre payment penalty
24	Canara Bank_PSL	August 9, 2017	10,000.00	5,000.00	September 12, 2022	After 1 Year Moratorium Quarterly Repayment	No charges if 30 days notice given
	Canara Bank NPSL	September 12, 2017		5,000.00	September 12, 2022	After 1 Year Moratorium Quarterly Repayment	No charges if 30 days notice given
25	Shinhan Bank	September 22, 2017	5,000.00	4,500.00	September 22, 2020	After 6 Months Moratorium Quarterly Repayment	Nil if done at time of reset
26	Allahabad bank	September 28, 2017	10,000.00	9,995.81	December 31, 2026	After 1 Year Moratorium Quarterly Repayment	No charges if 30 days notice given
	Allahabad bank	December 27, 2017	10,000.00	9,996.77	December 31, 2026	After 1 Year Moratorium Quarterly Repayment	No charges if 30 days notice given
	Allahabad bank	January 4, 2018			December 31, 2026	After 1 Year Moratorium Quarterly Repayment	No charges if 30 days notice given
27	Dena Bank	September 29, 2017	20,000.00	9,996.45	September 30, 2022	After 1 Year Moratorium Quarterly Repayment	Nil with 30 days advance notice
	Dena Bank	January 29, 2018		9,999.57	September 30, 2022	After 1 Year Moratorium Quarterly Repayment	Nil with 30 days advance notice
	Dena Bank 2	March 28, 2018	20,000.00	19,999.12	March 30, 2025	After 1 Year Moratorium Quarterly Repayment	Nil with 30 days advance notice
28	Karnataka Bank	March 12, 2018	7,500.00	7,124.27	March 12, 2023	Quarterly Repayment	Yes
29	Kotak Mahindra Bank	March 31, 2016	5,000.00	2,750.00	March 30, 2021	Quarterly Repayment	1st 12 month no prepayment charges, 12-24 months -2%, Beyond 24 months no prepayment charges.
	Kotak Mahindra Bank 2	June 29, 2018	2,500.00	2,500.00	July 30, 2023	Quarterly Repayment	nil
	Oriental Bank of Commerce - V	December 17, 2013	5,000.00	1,777.37	December 30, 2020	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
	Oriental Bank of Commerce - VI	March 26, 2015	2,500.00	1,876.07	March 30, 2028	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
	Oriental Bank of Commerce - VII	June 30, 2015	7,500.00	4,271.02	June 30, 2022	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
	Oriental Bank of Commerce - VIII	October 26, 2016	4,500.00	4,012.86	October 30, 2031	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
	Oriental Bank of Commerce - IX	February 27, 2017	3,000.00	2,352.05	November 30, 2023	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
	Oriental Bank of Commerce - Xa	March 9, 2018	10,000.00	964.10	March 30, 2025	Quarterly Repayment	If taken over by other lender pre-payment charges applicable

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned (₹ in lakh)	Amount outstanding (₹ in lakh)	Maturity date	Repayment schedule	Pre payment penalty
	Oriental Bank of Commerce - Xb	March 14, 2018		8,670.59	March 30, 2025	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
30	SBI (SBH)	March 3, 2015	5,000.00	304.37	December 30, 2018	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
31	SBI (SBM)	December 9, 2014	5,000.00	2,117.32	June 30, 2021	Quarterly Repayment	If taken over by other lender pre-payment charges applicable
32	DCB Bank	January 30, 2014	2,500.00	482.07	October 31, 2019	Quarterly Repayment	Nil
	DCB Bank 2	May 3, 2018	5,000.00	5,000.00	May 31, 2024	Quarterly Repayment	
33	ICICI Bank - I	September 22, 2011	3,000.00	107.14	September 30, 2018	Quarterly Repayment	Yes
	ICICI Bank - II	August 29, 2012	5,000.00	2,412.50	November 30, 2023	Quarterly Repayment	Charges apply
	ICICI Bank - III	November 18, 2016	6,000.00	5,400.00	December 29, 2031	Quarterly Repayment	Fixed for 3 years. Prepayment cannot be made
34	Vijaya Bank	June 29, 2018	10,000.00	9,996.30	September 30, 2025	Quarterly Repayment	Nil
			6,63,000.00	**5,02,822.51**			

Security

The secured term loans from all other banks are availed from various scheduled banks. These loans are repayable as per the individual contracted terms in one or more instalments between April 2018 and March 2033.

Working Capital Loan as on June 30, 2018 on a standalone basis – Cash Credit Limit

Sr. No.	Lender's Name	Amount Sanctioned	Amount outstanding	Maturity date	Repayment schedule	Remarks
1	Union Bank	2,500.00	2,403.33	-	*	Utilised
2	Axis Bank	200.00	-	-	-	Unutilised
3	HDFC Bank	2,000.00	-	-	-	Unutilised
4	Yes Bank	500.00	-	-	-	Unutilised
5	Au Small Finance Bank	10,000.00	-	-	-	Unutilised
6	Kotak Mahindra Bank	2,500.00	-	-	-	Unutilised
7	IDBI Bank	1,500.00	-	-	-	Unutilised
		19,200.00	**2,403.33**			

** The loans that are repayable on demand comprise of cash credit facilities from banks and are secured by way of jointly ranking pari passu inter se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable.*

Secured Non-Convertible Debentures as on June 30, 2018

Our Company has issued secured redeemable non-convertible debenture of face value of ₹ 10 lakhs each on a private placement basis of which ₹ 1,02,640 lakhs is outstanding as on June 30, 2018, the details of which are set forth below. Redemption date represents actual maturity date and does not consider call/put option:

Sr. No.	Description (Series)	Tenor/ Period of Maturity (Years)	Credit Rating	Coupon	Date of Allotment	Amount outstanding (` lakhs)	Redemption/ Maturity Date
1	2.)						
	A	5.00	CARE AA+ (SO)	10.25%	January 9, 2015	1,000.00	January 9, 2020
	B	5.00	CARE AA+ (SO)	10.25%	January 9, 2015	500.00	January 9, 2020
	C	5.00	CARE AA+ (SO)	10.25%	January 9, 2015	200.00	January 9, 2020

Sr. No.	Description (Series)	Tenor/ Period of Maturity (Years)	Credit Rating	Coupon	Date of Allotment	Amount outstanding (` lakhs)	Redemption/ Maturity Date
	D	5.00	CARE AA+ (SO)	10.25%	January 9, 2015	1,000.00	January 9, 2020
	E	5.00	CARE AA+ (SO)	10.25%	January 9, 2015	500.00	January 9, 2020
2	4.)						
	A	10.01	CARE AA+ (SO)	9.80%	March 23, 2015	2,500.00	March 23, 2025
3	5.)						
	A	7.01	CARE AA+ (SO)	9.80%	March 27, 2015	2,000.00	March 27, 2022
4	6.)						
	A	7.01	CARE AA+ (SO)	9.80%	June 3, 2015	1,000.00	June 3, 2022
	B	7.01	CARE AA+ (SO)	9.80%	June 3, 2015	1,000.00	June 3, 2022
5	7.)						
	A	7.01	CARE AA+ (SO), BWR AA+ (SO)	9.80%	August 7, 2015	800.00	August 7, 2022
	B	7.01	CARE AA+ (SO), BWR AA+ (SO)	9.80%	August 7, 2015	100.00	August 7, 2022
	C	7.01	CARE AA+ (SO), BWR AA+ (SO)	9.80%	August 7, 2015	100.00	August 7, 2022
6	8.)						
		7.01	CARE AA+ (SO), BWR AA+ (SO)	9.80%	September 3, 2015	1,000.00	September 3, 2022
7	9.)						
		7.01	CARE AA+ (SO), BWR AA+ (SO)	9.80%	September 10, 2015	1,000.00	September 10, 2022
8	11.)						
		7.01	CARE AA+ (SO), BWR AA+ (SO)	9.70%	November 4, 2015	2,000.00	November 4, 2022
9	12.)						
		5.01	CARE AA+ (SO), BWR AA+ (SO)	9.70%	November 9, 2015	1,000.00	November 9, 2020
10	13.)						
		5.01	CARE AA+ (SO), BWR AA+ (SO)	9.65%	December 11, 2015	1,000.00	December 11, 2020
11	14.)						
		7.01	CARE AA+ (SO), BWR AA+ (SO)	9.60%	December 28, 2015	2,000.00	December 28, 2022
12	15-A.)						
	A	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.60%	January 6, 2016	1,000.00	January 6, 2026
	B	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.60%	January 6, 2016	1,000.00	January 6, 2026
	C	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.60%	January 6, 2016	1,000.00	January 6, 2026
13	16)						
		7.01	CARE AA+ (SO), BWR AA+ (SO)	9.60%	January 7, 2016	2,000.00	January 7, 2023
14	17)						
		10.01	CARE AA+ (SO), BWR AA+ (SO)	9.60%	January 19, 2016	1,000.00	January 19, 2026
15	18-A)						
	A	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.60%	January 19, 2016	100.00	January 19, 2026
	B	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.60%	January 19, 2016	170.00	January 19, 2026
16	19-A)						
	A	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.60%	January 25, 2016	1,000.00	January 25, 2026
	B	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.60%	January 25, 2016	1,000.00	January 25, 2026
17	20-A)						
	A	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.55%	January 29, 2016	500.00	January 29, 2026
	B	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.55%	January 29, 2016	100.00	January 29, 2026

Sr. No.	Description (Series)	Tenor/ Period of Maturity (Years)	Credit Rating	Coupon	Date of Allotment	Amount outstanding (` lakhs)	Redemption/ Maturity Date
	C	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.55%	January 29, 2016	500.00	January 29, 2026
	D	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.55%	January 29, 2016	100.00	January 29, 2026
18	21)						
	A	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.55%	March 1, 2016	1,000.00	March 1, 2026
19	22)						
	A	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.55%	March 3, 2016	1,000.00	March 3, 2021
20	23)						
	A	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.40%	March 21, 2016	700.00	March 21, 2021
	B	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.40%	March 21, 2016	500.00	March 21, 2021
21	24)						
	A	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.55%	March 22, 2016	2,000.00	March 22, 2026
22	25)						
	A	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.50%	March 29, 2016	1,000.00	March 29, 2021
23	26)						
	A	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.55%	March 31, 2016	1,000.00	March 31, 2026
	B	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.55%	March 31, 2016	250.00	March 31, 2026
24	27)						
	A	7.00	CARE AA+ (SO), BWR AA+ (SO)	9.30%	April 28, 2016	1,000.00	April 28, 2023
	B	7.00	CARE AA+ (SO), BWR AA+ (SO)	9.30%	April 28, 2016	130.00	April 28, 2023
25	28)						
	A	7.00	CARE AA+ (SO), BWR AA+ (SO)	9.30%	May 13, 2016	500.00	May 13, 2023
26	31)						
	A	5.00	CARE AA+ (SO)	9.40%	May 27, 2016	450.00	May 27, 2021
27	33)						
	A	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.20%	October 18, 2016	5,000.00	October 18, 2021
28	34)						
	A	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.00%	November 11, 2016	1,000.00	November 11, 2021
29	35)						
	A	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.00%	November 16, 2016	500.00	November 16, 2026
30	36)	-	-	-	-	-	-
31	37)	-	-	-	-	-	-
32	38)	-	-	-	-	-	-
	A	3.00	CARE AA+ (SO), BWR AA+ (SO)	8.88%	June 13, 2017	2,000.00	June 12, 2020
33	39)						
	A	3.00	CARE AA+ (SO)	8.80%	July 5, 2017	5,000.00	July 3, 2020
34	40)						
	A	2.00	CARE AA+ (SO)	8.60%	July 24, 2017	5,000.00	July 24, 2019
35	41)						
	A	1.50	CARE AA+ (SO)	8.30%	August 4, 2017	2,500.00	February 4, 2019
36	42)						
	A	2.87	CARE AA+ (SO)	8.58%	August 9, 2017	15,000.00	June 23, 2020
37	43)						
	A	1.50	CARE AA+ (SO)	8.40%	November 6, 2017	2,500.00	May 6, 2019
	B	1.50	CARE AA+ (SO)	8.40%	November 6, 2017	2,500.00	May 6, 2019
	C	1.50	CARE AA+ (SO)	8.40%	November 6, 2017	5,000.00	May 6, 2019

Sr. No.	Description (Series)	Tenor/ Period of Maturity (Years)	Credit Rating	Coupon	Date of Allotment	Amount outstanding (` lakhs)	Redemption/ Maturity Date
38	44)						
	A	3.00	CARE AA+ (SO)	8.90%	March 28, 2018	1,000.00	March 26, 2021
	B	3.00	CARE AA+ (SO)	8.90%	March 28, 2018	500.00	March 26, 2021
39	1	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.40%	May 5, 2016	2,000.00	May 5, 2026
40	2	7.00	CARE AA+ (SO), BWR AA+ (SO)	9.40%	May 5, 2016	3,000.00	May 5, 2023
41	3	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.60%	July 5, 2016	200.00	July 5, 2021
42	4	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.35%	July 8, 2016	200.00	July 8, 2026
43	5	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.40%	July 13, 2016	120.00	July 13, 2026
44	6	10.00	CARE AA+ (SO), BWR AA+ (SO)	9.28%	July 19, 2016	200.00	July 18, 2026
45	7	10.01	CARE AA+ (SO), BWR AA+ (SO)	9.15%	August 5, 2016	120.00	August 5, 2026
46	8	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.35%	August 17, 2016	200.00	August 17, 2021
47	9	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.35%	August 25, 2016	100.00	August 25, 2021
48	10	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.37%	October 20, 2016	200.00	October 20, 2021
49	11	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.36%	October 25, 2016	100.00	October 25, 2021
50	12	5.00	CARE AA+ (SO), BWR AA+ (SO)	9.36%	October 27, 2016	200.00	October 27, 2021
51	13	7.00	CARE AA+ (SO), BWR AA+ (SO)	9.36%	October 27, 2016	400.00	October 27, 2023
52	14	7.00	CARE AA+ (SO), BWR AA+ (SO)	9.40%	November 21, 2016	1,800.00	November 21, 2023
53	15	7.00	CARE AA+ (SO), BWR AA+ (SO)	9.40%	November 21, 2016	200.00	November 21, 2023
54	16	7.00	CARE AA+ (SO), BWR AA+ (SO)	9.40%	November 22, 2016	900.00	November 22, 2023
						95,140.00	

Unsecured Non-Convertible Debentures as on June 30, 2018

Our Company has issued unsecured redeemable subordinated non-convertible debenture of face value of ₹ 10 lakhs each on a private placement basis of which ₹ 8,400 lakhs is outstanding as on June 30, 2018 the details of which are set forth below. Redemption date represents actual maturity date:

Sr. No.	Description (Series)	Tenor/ Period of Maturity (Years)	Credit Rating	Coupon	Date of Allotment	Amount outstanding	Redemption/ Maturity Date
1	A	5 .10	CARE AA(SO), BWR AA+ (SO)	9.90%	July 27, 2016	100.00	May 27, 2022
2	A	7.00	CARE AA(SO), BWR AA+ (SO)	10.00%	July 27, 2016	450.00	July 27, 2023
	B	7.00	CARE AA(SO), BWR AA+ (SO)	10.00%	July 27, 2016	150.00	July 27, 2023
3	A	5 .10	CARE AA(SO), BWR AA+ (SO)	9.90%	August 10, 2016	200.00	June 10, 2022
	B	5 .10	CARE AA(SO), BWR AA+ (SO)	9.90%	August 10, 2016	500.00	June 10, 2022
4	A	5 .10	CARE AA(SO), BWR AA+ (SO)	9.90%	August 30, 2016	1,000.00	June 30, 2022
5	A	10.00	CARE AA(SO), BWR AA+ (SO)	10.00%	September 19, 2016	500.00	September 19, 2026
	B	10.00	CARE AA(SO), BWR AA+ (SO)	10.00%	September 19, 2016	500.00	September 19, 2026

Sr. No.	Description (Series)	Tenor/ Period of Maturity (Years)	Credit Rating	Coupon	Date of Allotment	Amount outstanding	Redemption/ Maturity Date
6	A	10.00	CARE AA(SO), BWR AA+ (SO)	9.75%	October 10, 2016	300.00	October 10, 2026
7		10.00	CARE AA(SO), BWR AA+ (SO)	10.00%	October 10, 2016	1,500.00	October 10, 2026
8	A.)	10.00	CARE AA(SO), BWR AA+ (SO)	9.75%	October 10, 2016	1,500.00	October 10, 2026
	B.)	10.00	CARE AA(SO), BWR AA+ (SO)	9.75%	October 10, 2016	1,000.00	October 10, 2026
9	A	10.00	CARE AA(SO), BWR AA+ (SO)	9.75%	October 17, 2016	700.00	October 17, 2026
						8,400.00	

NHB Refinance as of June 30, 2018

(amount in ₹ lakhs)

Sr. No.	Description	Date of disbursement	Amount Sanctioned	Amount outstanding as on June 30, 2018	Maturity date	Repayment schedule
1.	1137	March 16, 2005	351.74	5.47	September 30, 2018	Quarterly Instalment repaid in 15 years
2.	1145	October 6, 2005	414.14	27.47	June 30, 2019	Quarterly Instalment repaid in 15 years
3.	1146	January 9, 2006	667.53	53.12	September 30, 2019	Quarterly Instalment repaid in 15 years
4.	1147	February 2, 2006	382.00	45.69	June 30, 2020	Quarterly Instalment repaid in 15 years
5.	1148	February 3, 2006	363.83	7.56	December 31, 2018	Quarterly Instalment repaid in 15 years
6.	1149	March 31, 2006	281.18	47.45	December 31, 2020	Quarterly Instalment repaid in 15 years
7.	3075	March 18, 2010	572.00	8.32	September 30, 2018	Quarterly Instalment repaid in 10 years
8.	3236	January 25, 2011	1,260.00	213.60	March 31, 2020	Quarterly Instalment repaid in 10 years
9.	3238	February 9, 2011	1,795.00	297.94	March 31, 2020	Quarterly Instalment repaid in 10 years
10.	3264	March 18, 2011	403.00	103.14	December 31, 2020	Quarterly Instalment repaid in 10 years
11.	3330	June 30, 2011	1,627.00	300.20	June 30, 2020	Quarterly Instalment repaid in 10 years
12.	3336	July 21, 2011	1,373.00	178.75	December 31, 2019	Quarterly Instalment repaid in 10 years
13.	3381	October 4, 2011	263.00	9.74	September 30, 2018	Quarterly Instalment repaid in 7 years
14.	3382	October 4, 2011	513.00	19.00	September 30, 2018	Quarterly Instalment repaid in 7 years
15.	3386	October 10, 2011	2,944.00	733.95	March 31, 2022	Quarterly Instalment repaid in 15 years
16.	3398	November 3, 2011	173.00	4.00	September 30, 2018	Quarterly Instalment repaid in 7 years
17.	3399	November 3, 2011	327.00	9.80	September 30, 2018	Quarterly Instalment repaid in 7 years
18.	3400	November 4, 2011	1,716.00	959.40	September 30, 2026	Quarterly Instalment repaid in 15 years
19.	3476	January 25, 2012	304.00	22.50	December 31, 2018	Quarterly Instalment repaid in 7 years
20.	3477	January 25, 2012	1,118.00	68.00	December 31, 2018	Quarterly Instalment repaid in 7 years
21.	3507	March 19, 2012	129.00	9.00	December 31, 2018	Quarterly Instalment repaid in 7 years
22.	3508	March 19, 2012	811.00	58.50	December 31, 2018	Quarterly Instalment repaid in 7 years

Sr. No.	Description	Date of disbursement	Amount Sanctioned	Amount outstanding as on June 30, 2018	Maturity date	Repayment schedule
23.	3514	March 27, 2012	2,565.00	1,477.50	December 31, 2026	Quarterly Instalment repaid in 15 years
24.	3538	April 25, 2012	1,637.00	971.00	March 31, 2027	Quarterly Instalment repaid in 15 years
25.	3726	December 31, 2012	462.00	85.36	September 30, 2019	Quarterly Instalment repaid in 7 years
26.	3727	December 31, 2012	1,906.00	352.80	September 30, 2019	Quarterly Instalment repaid in 7 years
27.	3833	March 26, 2013	534.00	118.20	December 31, 2019	Quarterly Instalment repaid in 7 years
28.	3834	March 26, 2013	2,405.00	533.90	December 31, 2019	Quarterly Instalment repaid in 7 years
29.	3835	March 26, 2013	4,810.00	3,097.87	December 31, 2027	Quarterly Instalment repaid in 15 years
30.	3900	June 25, 2013	7,335.00	4,848.40	March 31, 2028	Quarterly Instalment repaid in 15 years
31.	3965	November 18, 2013	845.00	587.06	September 30, 2028	Quarterly Instalment repaid in 15 years
32.	3966	November 18, 2013	1,078.00	748.96	September 30, 2028	Quarterly Instalment repaid in 15 years
33.	4405	January 6, 2016	4,694.00	3,605.00	March 31, 2026	Quarterly Instalment repaid in 10 years
34.	4408	January 8, 2016	5,200.00	3,940.00	March 31, 2026	Quarterly Instalment repaid in 10 years
35.	4415	January 25, 2016	106.00	81.25	March 31, 2026	Quarterly Instalment repaid in 10 years
36.	4472	May 12, 2016	10,000.00	7,944.00	June 30, 2026	Quarterly Instalment repaid in 10 years
37.	4526	November 8, 2016	4,820.00	4,076.00	December 31, 2026	Quarterly Instalment repaid in 10 years
38.	4535	November 28, 2016	4,000.00	3,382.00	December 31, 2026	Quarterly Instalment repaid in 10 years
39.	4561	January 31, 2017	3,000.00	2,615.00	March 31, 2027	Quarterly Instalment repaid in 10 years
40.	4600	June 8, 2017	3,180.00	2,852.00	June 30, 2027	Quarterly Instalment repaid in 10 years
			78,126.92	**44,498.90**		

Security:
NHB Refinance is secured by way of pari passu charge on the company's book debts, housing loans and the whole of present and future movable and immovable assets wherever situated excluding SLR assets and also guaranteed by some of the members of the Promoters Group.

Corporate guarantee issued by our Company in favour of its Subsidiary, group company, etc. as of June 30, 2018

Nil

The total face value & Outstanding of Commercial Papers Outstanding as on June 30, 2018

(amount in ₹)

Maturity Date	Amount Outstanding	Face Value
July 20, 2018	99,56,86,034	1,00,00,00,000
July 30, 2018	99,31,46,333	1,00,00,00,000
August 6, 2018	39,67,31,200	40,00,00,000
August 7, 2018	49,58,00,500	50,00,00,000
August 14, 2018	24,74,69,701	25,00,00,000
August 14, 2018	24,76,05,667	25,00,00,000
August 14, 2018	49,52,11,333	50,00,00,000
August 16, 2018	74,24,93,468	75,00,00,000
August 16, 2018	49,51,15,424	50,00,00,000
August 24, 2018	24,71,69,119	25,00,00,000
August 27, 2018	49,38,34,500	50,00,00,000

August 30, 2018	24,66,13,393	25,00,00,000
August 31, 2018	24,71,93,833	25,00,00,000
August 31, 2018	49,34,07,711	50,00,00,000
September 11, 2018	1,47,66,44,400	1,50,00,00,000
September 14, 2018	49,18,92,170	50,00,00,000
September 17, 2018	49,17,71,433	50,00,00,000
September 24, 2018	45,17,52,048	46,00,00,000
September 24, 2018	3,92,82,787	4,00,00,000
March 22, 2019	23,39,34,211	25,00,00,000
	10,02,27,55,265	10,15,00,00,000

The total face value of ICD Outstanding as on June 30, 2018:

(amount in ₹)

Maturity Date	Name of the Entity	Amount Outstanding	Face Value
August 6, 2018	Reliance Venture Asset Management Private Limited	25,00,00,000	25,00,00,000

Restrictive Covenants under our Financing Arrangements

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to effect any change in its capital structure;
2. to formulate any scheme of amalgamation or reconstruction;
3. to undertake any new project or expansion scheme, unless the expenditure on such expansion is covered by the Company's net cash accruals after providing for debt servicing or from long term funds received for financing such new projects or expansion;
4. to invest by way of share capital in or lend or advance funds to or place deposits with any other concern;
5. to enter into borrowing arrangements, either secured or unsecured, with any other bank, financial institution, company or otherwise;
6. to undertake guarantee obligations on behalf of any other company, firm or person;
7. to create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons apart from the arrangement indicated in the funds flow statements submitted to the lenders from time to time and approved by the lenders.

Other confirmation

Our Company does not have any outstanding borrowings taken/debt securities issued, where they were issued or taken (i) for consideration other than cash, whether in whole or part, in pursuance of an option.

As on June 30, 2018, our Company has no outstanding debt securities which were issued either at a premium or at a discount, other than as disclosed in this Draft Shelf Prospectus.

There has been no default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness in the past 5 years prior to the date of this Draft Shelf Prospectus.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is 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) consumer complaints, (b) petitions pending before appellate authorities, (c) criminal complaints, and (d) civil suits. 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.

As on the date of this Draft Shelf Prospectus, 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. Further, there are no outstanding Tax litigations against the Company.

Effective from May 11, 2018, the Board of Directors of our Company has adopted policy for determination of materiality for disclosure of events or information ("**Materiality Policy**"). With respect to litigations / disputes/ regulatory actions with impact, the Materiality Policy sets thresholds which are determined on the basis of consolidated financial statements of last audited Fiscal. In terms of the Materiality Policy, all pending litigation involving our Company, Subsidiary, Directors, Promoter and Group Companies, other than criminal proceedings and taxation matters (which would be disclosed in a consolidated manner), would be considered 'material' for the purposes of disclosure in this Draft Shelf 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 ₹ 1,700 lakhs being approximately 1% of our Company's net worth as per our Consolidated Financial Statements for the Fiscal 2018, or (ii) any such litigation the outcome of which has a bearing on the business, operations, prospects or reputation of the Company, irrespective of the amount involved in such litigation.

Save as disclosed below, there are no:

1. litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of our Company during the last five years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;

2. inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company and our Subsidiaries (including where there were any prosecutions filed); fines imposed on or compounding of offences done by our Company and our Subsidiaries in the last five years immediately preceding the year of this Draft Shelf Prospectus;

3. litigation involving our Company, Promoter, Directors, Subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of our Company; and

4. pending proceedings initiated against our Company for economic offences and defaults.

<u>Litigations involving our Company</u>

Litigations against our Company

Criminal

1. Mr. Narendra Kumar (the "**Complainant**") filed a criminal complaint under section 156(3) of the CrPC with the Magistrate Court, Meerut against our Company. The Complainant alleged that our Company, Mr. Deepak Sharma and Mr. Pradeep Sharma (the "**Brokers**") and Mr. Mithilesh Devi (the "**Seller**") had cheated the Complainant, who had availed a home loan from us. The Complainant alleged that the loan amount had been disbursed to the seller's account without the execution of the sale deed with the Complainant, and the Complainant had not received possession of the relevant property till date, it was alleged that our Company was guilty of violation of Section 406, 420, 467, 468, 471 and 120(B), 504 and 506 of the IPC. The matter is currently pending

2. Mr. Nandkishor (the "**Complainant**") filed a criminal complaint dated November 3, 2017 with the Magistrate Court, Meerut against our Company under section 420, 467, 468, 471, 504, and 323 of IPC. The Complainant had applied for a loan from our Company and had paid necessary processing fees. However, the loan could not be disbursed due to technical reasons. The Complainant alleged that our Company had cheated the Complainant by failing to refund the processing fees aggregating to ₹ 11,000 paid to our Company despite the failure to disburse the loan sanctioned to the Complainant. The matter is currently pending.

3. Ms. Nilima Das (the "**Complainant'**') filed a complaint dated February 28, 2017 under Section 144 of the CrPC against our Company, the Complainant was a co-sharer of a property mortgaged in favour of our Company and sought the issuance of an order preventing us from taking possession of such property by our Company officials, alleging that if there were such attempts at taking possession, there could be a breach of peace and law. The matter is currently pending and under investigation.

4. Ms. Rashmi Kanwar (the **"Complainant**") filed a first information report dated January 27, 2018 under Section 156(3) of the CrPC with the Vidhayak Puri Police Station, Jaipur alleging that certain documents of the Complainant were lost by the Complainant and claimed that our Company was guilty of offences under Sections 406 and 420 of the IPC. The investigation report had been submitted to court**,** however it was held that the matter is of a civil nature. The court summoned the Complainant on June 21, 2018 but the Complainant did not show up. The matter is currently pending and the next date of hearing is October 15, 2018.

5. Mr. Devraj Naagar (the "**Complainant**") filed a criminal complaint dated February 12, 2017 bearing case no 1265/2017 with the Magistrate Court, Gautam Budh Nagar against our Company under section 406 and 504 of IPC. The Complainant had applied for a loan from our Company and had paid necessary processing fees. However, the loan could not be disbursed due to technical reasons. The Complainant alleged that our Company had cheated the Complainant by failing to refund the processing fees paid to our Company despite the failure to disburse the loan sanctioned to the Complainant. The matter is currently pending.

Civil

Our Company had advanced certain financial facilities in the form of project loans to Shri Diya Projects Private Limited for an amount of ₹ 8,50,00,000 in 2014 for the purpose of construction of residential flats called "Shri Diya Ornate" and "Shri Diya Viola". Shri Diya Projects failed to make repayments on time and the account was classified as a non-performing asset on September 20, 2016. On April 25, 2017, our Company issued a demand notice for a sum of ₹ 10,17,32,700 under Section 13 (2) of the SARFAESI. As Shri Diya Project, the appellant in this case, failed to make payments within 60 days from the date of the demand notice, our Company enforced its security interests over the collateral. On May 2018 the appellants filed an application under Section 17 of the SARFAESI. The next date of hearing is August 14, 2018.

Litigations by our Company

Criminal

1. Our Company has filed a first information report with the Meerut Police Station against Mr. Narendra Kumar (the "**Borrower**") and Mr. Mithilesh Devi (the "**Seller**"), alleging that the Borrower and Seller with conspiracy had approached our Company for a home loan for the purchase of certain property by the Borrower from the Seller on March 27, 2014. Our Company alleged that the Borrower and Seller submitted forged property documents. It is alleged that subsequent to the disbursement of the loan the Borrower were unable to pay the monthly instalments, and on further investigation it was revealed that the Seller had never sold the property to the Borrower, and the documents submitted to our Company was forged and fabricated. Accordingly, the first information report has been filed under Sections 406, 420, 467, 468, 471, 120B of the IPC. The matter is currently pending.

2. Our Company filed a first information report against Mr. Pradeep Bomunugunta (the "**Accused**") with the Abids Police Station, Hyderabad under section 347 of IPC alleging cheating by Mr. Pradeep Bomunugunta on September 12, 2014 Our Company argued that the Accused had created fake documents against which our Company had granted a loan of ₹20 lakh. The matter is currently pending.

3. Our Company filed a first information report against Mr. Reddy Prasanna Kumar (the "**Accused**") with the Abids Police Station, Hyderabad, under section 419, 420, 467,468 and 471 of the IPC on September 23, 2014. Our Company argued that the Accused had created fake documents against which our Company had granted a

loan and used a fake identity. The matter is currently pending.

4. Our Company filed a first information report against Mr. Durgesh Naidu (the "**Accused**") with the Hebbagudi Police Station, under sections 420, 408, and 506 of the IPC on April 12, 2015 Our Company alleged that the Accused (a marketing executive of our Company at the time) had fraudulently misappropriated certain amounts belong to customers of our Company and fabricated certain documents included title deeds. A charge sheet has been filed against the Accused. The matter is currently pending.

Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881

Our Company has filed various complaint and notices under section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Draft Shelf Prospectus, there are 304 such complaints pending before various courts. The total amount involved in such cases is approximately ₹ 12,65,07,823 lakh.

Cases filed under SARFAESI

Our Company has filed numerous cases under SARFAESI across India involving an aggregate amount of approximately ₹ 594.3 lakh. As of the date of this Draft Shelf Prospectus, cases are pending possession or are under demand notice period.

Civil Cases

There are various civil proceedings instituted by our Company from time to time, mostly arising in the ordinary course of its business. Other than as disclosed below, there are no pending civil proceedings instituted by our Company that involve an amount more than 1% of the net worth for the Fiscal 2018.

Consumer Cases

Our Customers have filed numerous cases before the Consumer Redressal Forum across India involving an aggregate amount of approximately ₹56.19 lakh.

Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company and our Subsidiaries (including where there were any prosecutions filed)

Other than as mentioned below, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years immediately preceding the year of this Draft Shelf Prospectus against our Company and our Subsidiaries:

NIL

Actions taken in the past by NHB against our Company in the last five years

NIL

Litigations involving our Group Companies

Litigations against our Group Companies

Criminal Proceedings

DHFL

1. Mr. Abhinav Chaudhary (the "**Complainant**") lodged an FIR with the Police Station, Ghazipur, Lucknow District under Section 406, 417 and 420 of the IPC, against Mr. Arvind Kumar (a recovery agent of DHFL) and Mr. Ashutosh Sinha (a senior branch operations manager of our Company) ("**Accused**"), alleging that the Complainant had made payment towards the settlement of the loan availed by the Complainant from DHFL in accordance with the instructions of the Accused, however the payment so made had been unlawfully usurped by the Accused ("**Complaint**"). Pursuant to the Complaint and the charge sheet submitted by the

investigating officer in pursuance of the Complaint, the Chief Judicial Magistrate, Lucknow had passed an order taking cognizance of the offence and summoning the Accused ("**CJM Order**"). Pursuant to the CJM Order, the Accused each preferred criminal miscellaneous application under section 482 of the Criminal Procedure Code, 1973 with the High Court, Lucknow (in relation to the petition of Mr. Arvind Kumar) and Criminal Misc. Case No. 4503 of 2013 (in relation to the petition of Mr. Ashutosh Sinha) ("**Petitions**"), to quash the charge sheet and to set aside the CJM Order. Under the common order dated September 23, 2014, the High Court, Lucknow directed the Accused to file a discharge application, with the Chief Judicial Magistrate, Lucknow pending which no coercive steps would be taken against the Accused. The Accused have filed the discharge application with the Chief Judicial Magistrate (Customs), Lucknow in connection with the CJM Order. The matter is currently pending.

2. DHFL had filed a complaint under section 138 of the Negotiable Instruments Act, 1881 against Mr. Chandragupta S. Ghansawant ("**Appellant**") before the 3rd Jt. J.M.F.C. Parbhani ("**Parbhani Court**"), pursuant to which the Parbhani Court had passed the order S.C.C. No. 232/2009 on August 19, 2014, imposing a fine of ₹50,000 and simple imprisonment of one (1) month against the Appellant. The Appellant has filed an appeal against the order of the Parbhani Court with the Sessions Judge at Parbhani. The matter is currently pending

Litigations by our Group Companies

Criminal Proceedings

<u>DHFL</u>

1. DHFL has filed a criminal complaint with the Chief Judicial Magistrate, Akola against Mr. Chandrashekhar Deshmukh ("**Accused No. 1**") and Ms. Pushpa Dhoble ("**Accused No. 2**") under sections 206, 406, 420, 418, 120-A and 34 of the IPC. Accused No. 1 had borrowed ₹ 85,000 from DHFL under to the terms of a housing loan facility availed from DHFL. DHFL alleged that the Accused No. 1 had defaulted in the payment of the instalments of the loan facility and had alienated the property mortgaged in favour of DHFL to the Accused No. 2 in contravention of the terms of the facility. The matter is pending.

2. DHFL filed a criminal complaint against Mr. Dipak Bajirao Gosavi ("**Accused**") with the Sarkarwada police station. DHFL alleged that the Accused had *inter alia* fraudulently collected the original title documents of the property to be mortgaged in favour of DHFL in connection with the facility granted by DHFL, and thereafter neither re-submitted the original title documents (as required under the terms of the facility) nor repaid the total outstanding dues owed to DHFL. Alleging that there was neither any investigation nor any action being taken by the police station, DHFL filed a criminal complaint with the Court of the Chief Judicial Magistrate, Nashik. The matter is currently pending**.**

3. DHFL filed a first information report with the Karveer Police station, Kolhapur against Mr. Siraj Jaffer Sayyed and Mr. Mushrat Siraj Sayyed ("**Accused**"), in connection with the default in payment of outstanding dues under section 448 and read with Section 34 of IPC. The Police have filed a chargesheet 68/ 2015 before the Judicial Magistrate First Class, Kolhapur. The matter is currently pending.

4. DHFL filed a criminal complaint against Mr. Rajendra Dagdu Sonawane and Ms. Rekha Rajendra Sonawane (the "**Accused**") with the Judicial Magistrate First Class, Nashik. DHFL alleged that the Accused had been granted a loan of ₹ 16,90,000 (with an additional amount of ₹87,966 by way of interest outstanding) for the purposes of purchase an apartment (the "**Apartment**"). DHFL alleged that the Accused had failed to make payments of certain instalments and had stopped servicing the loan. DHFL had sought to approach the Sarkarwada police station, Nashik and the Police Commissionerate, Nashik (collectively the "**Police**"). However, alleging that the Police had refused to take action and lodge a complaint, DHFL filed the Complaint, request that *inter alia* that the Sarkarwada police station be directed to register the complaint sought to be field by DHFL, seize possession of the Apartment and prevent the Accused from absconding from India. The matter is currently pending.

5. DHFL filed a criminal complaint (the "**Complaint**") against Mr. Minhaz Abdul Rahim Kureshi and Mrs. Firdos Minhaz Kureshi (collectively the "**Accused**") before the Chief Judicial Magistrate, Aurangabad. DHFL had granted the accused a loan facility of ₹3,73,140. DHFL alleged that the Accused had failed to repay the facility and had fraudulently mortgaged the property mortgaged in favour of DHFL for the grant of

the Facility with another bank. DHFL had sought to file a complaint with the Kranti Chowk Police Station, Aurangabad (the "**Police Station**"). However, alleging that the Police Station refused to take cognizance or lodge a complaint, DHFL filed the Complaint, request that *inter alia* that the Police Station be directed to register the complaint sought to be field by DHFL under section 420 of the IPC. The matter is currently pending.

6. DHFL has filed a criminal complaint ("**Complaint**") with the Additional Chief Judicial Magistrate at Pune, against Mr. Rajesh Trimukhe ("**Accused No.1**") Mrs. Savithri Rajesh Trimukhe ("**Accused No. 2**"), M/s Dhanvantri Hospital ("**Accused No. 3**"), Mr. Shridhar Udhavrao Kolpe ("**Accused No. 4**") and Mr. Anant Murlidhar Hippargekar ("**Accused No. 5**") under section 156(3) of the CrPC. The Accused No. 1 and Accused No. 2 are partners in the Accused No. 3. The Accused No. 1 and Accused No. 2 were sanctioned a loan against property by DHFL, with the property to be purchased from the Accused No. 4, with whom the Accused No. 1 and Accused No. 2 had regular business dealings. The Accused No. 4 executed in favor of the Accused No. 3 (acting through the Accused No. 1) a sale deed with respect to the said property. The disbursement of the loan was made directly into the bank account of the Accused No. 4 towards the sale price of the property (out of which a portion was transferred to the Accused No. 5. It only later emerged that the instrument pursuant to which the property was acquired by the Accused No. 4 was a forged document. DHFL was made aware that a portion of the disbursed amount had already been transferred by the Accused No. 4 in favour of the Accused No. 5 (the Chartered Accountant of the Accused No. 4) and that the Accused No. 4 had issued a letter to its bank (to which the amount had been disbursed) that the transaction between the Accused No. 1 and Accused No. 2 on the one hand and the Accused No. 3 on the other hand regarding the transaction of the said property mortgaged with DHFL has been cancelled (which would only be possible pursuant to repayment of the disbursed amount). Pursuant to this DHFL had filed the Complaint against the collusive actions of the Accused with the intent to defraud DHFL. DHFL has requested under the Complaint that an investigation under Section 156(3) of CrPC be ordered, the matter be sent back to the police for investigation and that the police be ordered to register the FIR and to investigate and submit its report. The Shivajinagar Police Station, Pune has registered a charge sheet with the Additional Chief Judicial Magistrate at Pune. The matter is currently pending.

7. DHFL has filed a criminal complaint ("**Complaint**") with the Additional Chief Judicial Magistrate at Jalgaon, against Mr. Rajesh Dindorkar ("Accused No.1") Mr. Mohammad Bashir Shaikh Ismail ("**Accused No. 2**") and Ms. Nasrin Bano Bashir ("**Accused No. 3**") (together the "A**ccused**"), for collusive actions with the intent to defraud DHFL. The Accused No 1 was an employee of DHFL and he colluded with the Accused No. 2 and Accused No. 3 to approve grant of loan of an amount of ₹ 1,50,000 for properties that were not existent and for which paperwork was incomplete or fraudulent. DHFL has moved the Complaint praying for the Accused to be tried for cheating and causing fraud with an intention to cheat under section 420 and 34 of IPC. The matter is currently pending.

8. DHFL has filed a criminal complaint ("**Complaint**") with the Additional Chief Judicial Magistrate at Jalgaon, against Mr. Rajesh Dindorkar ("**Accused No.1**") Mr. Naelson Maurice ("**Accused No. 2**") and Ms. Ikramary Maurice ("**Accused No. 3**") (together the "**Accused**"), for collusive actions with the intent to defraud DHFL. The Accused No 1 was an employee of DHFL and he colluded with the Accused No. 2 and Accused No. 3 to approve grant of loan of an amount of ₹ 2,15,000 for properties that were not existent and for which paperwork was incomplete or fraudulent. DHFL has moved the Complaint praying for the Accused to be tried for cheating and causing fraud with an intention to cheat under section 420 and 35 of IPC. The matter is currently pending.

9. DHFL had filed a criminal complaint ("**Complain**t") under section 156(3) of the CrPC with the Metropolitan Magistrate, Saket Courts, New Delhi ("**Magistrate**") against Mr. Kuldeep Rai Dutt and others ("**Accused**"). The accused had availed a loan facility of ₹ 1,52,69,060 originally from another financial institution, which was taken over by DHFL. The said loan was secured by a registered mortgage over certain properties owned by the Accused. However, after disbursement of the loan facility, the Accused defaulted in repayment of the loan and the provided to DHFL bounced. DHFL has separately filed complaints under section 138 of the Negotiable Instruments Act 1881. It later emerged that the Property against which the loan had been granted was in fact not owned by the Accused but by other persons and that the Accused had forged the title documents. The Company filed a complaint with the relevant police station ("**Police Station**"). However, the police station did not register the FIR. Subsequently, DHFL filed the Criminal Complaint asking the Magistrate to direct the Police Station to register an FIR under sections 403, 417, 465, 470, 120(b) read with section 34 of the IPC or alternatively for the court try and punish the accused persons in accordance with law. However, the Magistrate dismissed the Complaint of DHFL. Against the order of the Magistrate, DHFL has

filed a criminal revision petition with the District and Sessions Judge, Saket Court, seeking the setting aside of the order of the Magistrate. This matter is currently pending.

10. Mr. Madan Lal and Ms. Vimla Rani ("**Accused 1 and 2**") had approached First Blue Home Finance Limited (which got amalgamated into DHFL pursuant to the Scheme of Amalgamation) ("**Complainant**") for a loan of ₹25,00,000 to purchase a property at Dwarka, New Delhi ("**the Property**") from Mr. Amit Kumar ("**Accused 3**"), the owner of the Property. Pursuant to the disbursement of the loan, Accused 1 and 2 were unable to pay monthly EMI. On further investigation, it was revealed that Mr. H.S. Gulati ("**Accused 4**") never sold the Property to Accused 3 and all the documents furnished by Accused 1 to 4 were fabricated and forged. Further, a first information report was filed at Dwarka Police station but the same was not registered. DHFL has thus filed a Criminal complaint in A.C.M.M, Dwarka, New Delhi praying that, the Police Station be directed to register crime under section 406, 415, 417, 420, 403, 419, 471, and offence U/s 120-B and section 34 of IPC against all the Accused from 1 to 4. The matter is currently pending.

11. Mr. Sanjeev Dixit and Ms Reena Dixit ("**Accused 1 and 2**") had approached DHFL ("**Complainant**") for a loan of ₹ 1,05,00,000 to purchase a property at Jagriti Enclave, New Delhi ("**the Property**") from Ms Archana Jain ("**Accused 3**"), the owner of the Property. Accused 1 and 2 introduced Mr. Rajeev Sharma ("**Accused 4**") as the guarantor. Pursuant to the disbursement of the loan, Accused 3 filed an FIR in Anand Vihar Police station against DHFL claiming herself as the real owner of the property. Further, DHFL lodged an FIR at Connaught Palace Police station ("**Police Station**") dated December 15, 2012 against Accused 1 and 2 but the same was never registered. Pursuant to that, DHFL filed Criminal Complaint praying that, the Police Station be directed to register crime under section 406, 468, 415, 417, 420, 403, 419, 471, and offence U/s 120-B and section 34 of IPC. The matter is currently pending.

12. DHFL has filed a criminal complaint ("**Complaint**") with the Additional Commissioner of Police, Economic Offences Wing, Crime Branch, CID against Mr. Basant Shiv Kumar ("**Accused No. 1**") and his wife Ms. Manisha Basant Kumar ("**Accused No. 2**") (together "**Accused**") under sections 420, 406, 465,467,468,470,471 and 472 of the IPC read with sections 120-B and 34 of the IPC. The Accused had availed a housing loan of ₹ 89,53,000 from DHFL for the purchase of a certain property in Santacruz, Mumbai ("**Property**"). However, the Accused defaulted in the payment of the instalments of the loan. The Accused No. 1 had represented that he was an employee with Air India, however it emerged that the Accused No. 1 was not in fact an employee of Air India and the documents (including the salary slip of the accused No. 1 showing a gross salary of ₹ 1,37,600 per month and the property documents for the Property) submitted by the Accused were forged with an intention to defraud DHFL. DHFL's representative visited the correspondence address of the Accused, however the said representative was informed that the Accused did not live in the provided address. In pursuance of this DHFL has filed the Complaint. The matter is currently pending.

13. DHFL has filed a criminal complaint ("**Complaint**") with the Chief Judicial Magistrate, Lucknow ("**Magistrate**") against Mr. Ravishankar Yadav ("**Accused 1**") and Mr. Satish Kumar Sharma ("**Accused 2**"). The Accused 1 was an employee of DHFL in the accounts office of DHFL. The Accused 1 was entrusted with the duty to accept the duty to accept the cash deposits from Borrowers towards payments for loans and depositing the said cash deposits personally or together with the Accused 2, who was an office boy of DHFL, who had fraudulently misused the cash receipts of DHFL, which resulted in DHFL terminating his employment. DHFL has prayed that the Magistrate direct the investigation and registration of a criminal case under sections 420, 406 and 462 of the IPC. The matter is currently pending.

14. DHFL has filed a criminal complaint ("**Complaint**") under section 406, 419, 420, 467, 468 and 471 of the IPC against Mr. Apoorv Mishra, Mr. Rajesh Pandey, Ms Bachi Pandey and Ms. Bina Mishra ("**Accused**") with the Hazrat Gunj, Lucknow police station. The Accused had availed a loan of ₹ 17,00,000 from DHFL. However, while taking such loan, DHFL alleged that the Accused had fabricated and forged their employment and income related documentations, and had stopped paying the loan installments and were found to be absconding. The matter is currently pending before the Chief Judicial Magistrate, Lucknow.

15. DHFL has filed a criminal complaint under Section 156(3) of the CrPC with the Court of ACMM, Rohini Court Delhi ("Court") against Mr. Jamil Ahmed, Ms. Shanjahan Begum Fatima ("**Accused 1 and 2**") and Ms. Meenu Devi ("**Accused No. 3**") (collectively the "**Accused**"). The Accused 1 and 2 have obtained a Home loan facility from our Company of ₹ 15,28,750 for a plot no. 135, Rohini Extension, Pocket-1, Ground Floor at Sector 20, New Delhi ("**the Property**"). Under the terms of the loan agreement entered into between DHFL on the one hand and the Accused 1 and 2 on the other hand, the Accused 1 and 2 were to refrain from

alienating the Property. The Accused 1 and 2 were in continuous default of the loan and hence the loan account of the Accused 1 and 2 was declared to be a non-performing asset and a notice under the SARFAESI Act However, to the surprise of DHFL, it received a notice from the Court of Civil Judge, Rohini in a case titled Meenu Devi Vs. Shanjahan Begum. It emerged that the Accused 1 and 2 had sold the Property to the Accused No. 3 without the consent of DHFL. DHFL filed a complaint with the police station at Begumpur as well with the Commissioner of Police, Delhi ("**Police Station**"). However, the Police Station did not register the FIR. Subsequently, DHFL has filed the Complaint, praying that the Court direct the Police Station to register an FIR as requested under sections 406, 420, 468, 471, 120B of the IPC (and investigate the matter) and investigate the Complaint in terms of Section 202 of the CrPC and take cognizance of the offences under Section 406, 420, 468, 471 and 120B of the IPC.

16. DHFL has filed a criminal complaint ("**Complaint**") with the Chief Metropolitan Magistrate, Bandra against Mr. Vikas Oza and Mrs Sarita Vikas Oza ("**Accused 1 and 2**"), Rakesh D. Upadhyay ("**Accused 3**"), Mr. Pravin Khavilar and Mr. Gaurav Jain ("**Accused 4 and 5**") (collectively the "**Accused**"). DHFL disbursed ₹ 51,31,000 to Accused 1 and 2 for Home loan regarding property at Sai Co-operative Housing Society, Navi Mumbai ("**the Property**") to be purchased from Accused 3. Accused 4 and 5 confirmed and ratified the representations made by Accused 1 and 2. Further, Accused 1 and 2 defaulted in payment of the monthly loan installments to DHFL. It further emerged that the Accused had forged documents such as the NOC of the society as well as NOC of the City & Industrial Development Corporation Further, the Accused had also availed loans from other financial institutions by submitting forged documents. Subsequently, DHFL has filed this complaint with Chief Metropolitan Magistrate, Bandra filed u/s 467,468,471,420 r/w section 34 of IPC. DHFL, *vide* the complaint, prays inter alia: (i) to take cognizance of the offences; (ii) to issue directions u/s 156(3) of the CrPC to Bandra Police to make necessary investigations; (iii) to direct the Bandra Police Station to confiscate the passport of the Accused 1 to 5. The matter is currently pending.

17. DHFL filed a criminal complaint before the Metropolitan Magistrate, Patiala House Courts, New Delhi against Mr Arvind Ahuja and others ("**Accused**") under Section 156(3) of the CrPC. The Accused had borrowed ₹ 1,02,47,691 from DHFL in terms of the loan facility availed from DHFL. However, the Accused had defaulted in repayment of the loan. Thereafter, the Accused also illegally sold the mortgaged property in contravention of the terms of the facility and without obtaining the consent of DHFL. DHFL requested that the magistrate to inter alia register the complaint, take cognizance of the offences committed by the Accused and try the Accused in accordance with the Complaint. The matter is pending.

18. DHFL filed a criminal complaint ("**Complaint**") before the Illaqa Magistrate, Gurgaon against Era Landmarks Limited ("**Accused**") under Section 156(3) of the CrPC. The Accused had entered in to a tripartite agreement with prospective buyers and DHFL. DHFL agreed to finance the apartments subject to the commitments made by the Accused to the buyers of the apartments in the project, including that the project shall be completed and possession would be handed over within 36 months of entering in to the tripartite agreement. However, the Accused failed to hand over the possession of the apartment to the buyers who had availed loans from DHFL. DHFL alleged that the Accused violated the terms of the tripartite agreement in respect of the possession of the apartment and the refund of moneys advanced as loans by DHFL to the buyers. DHFL requested the magistrate to direct that the Accused be tried for cheating and fraud with an intention to cheat under Sections 420 and 34 of the IPC. The matter is currently pending.

19. DHFL filed a criminal complaint ("**Complaint**") before the Chief Metropolitan Magistrate, Patiala House Courts, New Delhi against Era Landmarks Limited and others ("**Accused**") under Section 156(3) of the CrPC. DHFL entered in to various tripartite agreements with the prospective buyers of plots in the project "Era Green World" being developed by the Accused. The Accused represented to DHFL that the said project was free from all encumbrances and all necessary clearances. The Accused also issued no-objection certificates permitting DHFL to create mortgage as security for the loans advanced by DHFL to various prospective buyers. However, DHFL learnt that possession of the property was taken by IFCI and there was an existing charge created in favour of IFCI. DHFL alleged that the Accused had entered in to a criminal conspiracy to cheat DHFL by creating a charge on the property mortgaged in favour of DHFL illegally and concealed important facts committing criminal breach of trust under Section 420 and Section 120B of the IPC. The matter is currently pending.

20. DHFL filed a criminal complaint ("**Complaint**") before the Chief Metropolitan Magistrate, Saket Courts, New Delhi against Mr Rahul Puri ("**Accused No. 1**"), Mr Rajiv Puri ("**Accused No. 2**") and Ms Tripta Puri ("**Accused No. 3**") under Section 156(3) of the CrPC. The Accused No. 1 and Accused No. 2 availed a loan aggregating to ₹3,25,00,000 with Accused No. 3 acting as a guarantor for the loan. The loan was availed

against a mortgage created in favour of DHFL. DHFL alleged that when it was noticed that the Accused had started defaulting on the loan, an inspection of the mortgaged property, apprised DHFL that the Accused was in the process of selling the mortgaged property without obtaining the consent of DHFL. The Accused has reconstructed the entire mortgaged property and created charge in favour of third parties. DHFL moved the Complaint praying that the Accused had illegally sold the mortgaged property in order to cheat DHFL with a *malafide* intention under Section 420 and Section 421 of the IPC. The matter is currently pending.

21. DHFL filed a criminal complaint ("**Complaint**") before the Illaqa Magistrate, Gurgaon against Shri Hemant Kumar Verma ("**Accused No. 1**"), Ms. Mallika Verma ("Accused No. 2"), Ms. Nirmal Verma ("**Accused No. 3**"), M/s Ace Tel Linkers Private Limited ("Accused No. 4") and Shreeji Co-operative Housing Society ("**Accused No. 5**") under Sections 156(3) of the CrPC. Accused Nos. 1 to 3 availed a housing loan from DHFL aggregating to ₹96,98,741 to purchase an apartment in a building constructed by the Accused No. 5 (the "Apartment"). Pursuant to the loan, the Accused Nos. 1 to 3 created a mortgage on the Apartment in favour of DHFL. The Accused Nos. 1 to 3 started defaulting in repaying the loan. The Accused Nos. 1 to 3 with Accused No. 4 had also taken another loan from another bank, also for the purchase of the Apartment. DHFL moved the Complaint praying that the Accused persons had planned a conspiracy to cheat our Company under Section 420 and Section 34 of the IPC. DHFL requested that the magistrate direct the relevant police station to register a complaint against the Accused and investigate the matter. The matter is currently pending.

22. DHFL filed a criminal complaint ("**Complaint**") before the Illaqa Magistrate, Gurgaon against Value Infracon Private Limited ("**Accused**") under Sections 156(3) of the CrPC. The Accused had approached DHFL for providing housing loans to prospective buyers in the project "Meadows Vista" being developed by the Accused and also entered in to tripartite agreements with DHFL. The Accused, in violation of the tripartite agreement, did not hand over the possession of the apartments to the various buyers who had taken loans from DHFL and did not refund the loans advanced. DHFL filed the Complaint against the Accused praying that the Accused to be tried for cheating and causing fraud with an intention to cheat under Sections 420 and 34 of the IPC. The matter is currently pending.

23. DHFL filed a criminal complaint ("**Complaint**") before the Metropolitan Magistrate, Patiala House Court, New Delhi against Jai Bhagwan Singhal ("**Accused No. 2**"), Mrs Shanti Singhal ("**Accused No. 2**"), Kapil Plastic Industry ("**Accused No. 3"),** Monika Singhal ("**Accused No. 4**"), Ms V. Sunita Rao ("**Accused No. 5**"), and Ms Anju Saluja ("**Accused No. 6**") under Sections 156(3) of the CrPC. The Accused Nos 1 to 3 approached our Company to avail a loan aggregating to Rs 4,95,00,000 against property by depositing the original title deeds. The Accused No. 4 is the guarantor for the loan. The Accused Nos. 5 and 6 were the subsequent buyers of the property mortgaged with DHFL. After availing the loan from DHFL, the Accused Nos. 1 to 3 stopped making payments of the loan instalments. The Accused nos. 1 to 4 also colluded with Accused no. 5 and 6 and illegally sold the property without obtaining the consent of DHFL. DHFL filed the Complaint praying that the Accused persons be tried for cheating and entering in to criminal conspiracy to cheat DHFL by disposing of the mortgaged property committing criminal breach of trust under Section 120B and Section 420 of the IPC. The matter is currently pending.

24. DHFL has filed a criminal complaint ("**Complaint**") before the Judicial Magistrate First Class, Pune against Mrs Shital Mulji Naram ("**Accused No. 1**"), Mr Jitendra Omprakash Goyal ("**Accused No. 2**"), M/s Ceratec Constructions ("**Accused No. 3**"), Mr Jai Shah ("**Accused No. 4**") and Ms Leena Mulji Thakkar ("**Accused No. 5**") under Section 156(3) of the CrPC. The Accused Nos. 1 and 2 approached DHFL for a housing loan to purchase an apartment being developed by the Accused No. 3. DHFL disbursed the loan after receipt of all the original title and property documents and issued a cheque in favour of Accused No. 3. The Accused No. 1 and 2 approached other financial institutions and created a mortgage on the property already charged in favour of DHFL in terms of the loan granted by DHFL. DHFL filed the Complaint praying that the Accused Nos 1 and 2 be tried for cheating and for entering in to criminal conspiracy with Accused No. 3 to 5 to cheat DHFL by disposing of the mortgaged property committing criminal breach of trust. The matter is currently pending.

25. DHFL had filed a first information report with the Hazrat Ganj Police Station, Lucknow (the "**Police Station**") against Mr. Kratriya Prasad Verma and Mr. Abhinav Chaudhary (the "**Accused**"), been disbursed a loan of ₹4,05,000 for purchasing a plot of land of Lucknow Development Authority ("**LDA**"). After three years, LDA cancelled the scheme and refunded the amount to the Accused. The Accused concealed the facts from DHFL and further stopped paying the dues left. DHFL filed a protest application against the charge sheet filed by the Police Station. The protest application was disposed of by the Chief Judicial Magistrate,

Lucknow, directing that the criminal complaint be investigated by the police station. The matter is currently pending.

26. DHFL filed a first information report with Kranti Chowk Police Station against Mr. Mohammed Usaman Abdul Sattar Khan and another (collectively the "**Accused**"). DHFL alleged, we had sanction a loan of ₹ 72,32,720 (the "**Loan**") to the Accused. However, the Accused failed to deposit the original title documents for the property to be mortgaged in connection with the Loan. A charge sheet has been filed by the Kranti Chowk Police Station with the Chief Judicial Magistrate, Aurangabad. The matter is currently pending.

27. DHFL filed a first information report against Mr. Sujit Kumar Prajapati with the Lalpur Police Station, Ranchi. DHFL alleged that the Accused had availed a loan facility from DHFL utilizing a fake identity and had fabricated title and other documents. The matter is currently pending.

28. DHFL has filed various complaints and notices under section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Draft Shelf Prospectus, there are 355 such complaints pending before various courts. The total amount involved in such cases is approximately ₹ 1,340.19 lakh.

<u>**DPLIC**</u>

1. DPLIC has filed 17 criminal complaints in its ordinary course of business for claims *inter alia* relating to forgery, fraud and cheating by certain

2. DPLIC has filed one complaint under Section 138 of the Negotiable Instruments Act, 1881 with the amount involved being ₹6.40 lakh.

Taxation

(₹in lakh)

Entity	Direct tax Amount involved as of March 31, 2018	Indirect tax Amount involved as of March 31, 2018
AHFL	127.13	Nil
DPLIC	198.00	293.00
DPAMPL	62.54	Nil

Reservations or qualifications or adverse remarks of the auditors of our Company in the last five financial years:

Nil

Details of acts of material frauds committed against our Company in the last five years, if any, and if so, the action taken by our Company

	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
Amount *(₹in lakh)*	131.91	118.66	47.77	96.57	Nil
Nature of Fraud	Fake identity created by the perpetrator, who prepared fake KYC documents. Further, title documents provided for loan were not original, rather the were a coloured photocopy.	Misrepresentation by borrowers by fabricating relevant property documents at the time of availing loan from the Company and the sale by a builder of the property connected to a loan sanctioned to multiple customers.	Misrepresentation by borrowers by fabricating the financial and property documents at the time of loan approval by our Company in the earlier year.	Misrepresentation by borrower by fabricating the financial and propert y documents at the time of loan approval by our Company in the earlier year.	
Corrective Actions	Our Company has formed risk	Our Company has established zonal /	Our Company has established zonal /	Our Company has established	

	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014
	containment units at various branches level who will continuously monitor the documents and authorization levels and issue an early warning report to zonal / regional offices in case of any deficiency. We have blacklisted /depanelled the relevant external technical agency involved in one of the above mentioned.	regional offices to being uniformity and minimize local subjectivity by giving adequate training and making the aware to use techniques like early default analysis, product analysis and probability of default.	regional offices to being uniformity and minimize local subjectivity by giving adequate training and making the aware to use techniques like early default analysis, product analysis and probability of default.	zonal / regional offices to being uniformity and minimize local subjectivity by giving adequate training and making the aware to use techniques like early default analysis, product analysis and probability of default.	

Litigations involving our Promoter

Nil

Further, there is no litigation or legal action pending or taken by any ministry or department of the Government of India or a statutory authority against our Promoter during the last five years immediately preceding the year of the issue of this Draft Shelf Prospectus and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action.

Litigations involving our Directors

M/s Divine Developers, through its partner Mr. Sanjay Hirji Savla ("**Plaintiffs**"), filed Suit (L) No.684 of 2018 along Notice of Motion (L) 1209 of 2018, before the Hon'ble High Court, Bombay under the provisions of the Specific Relief Act, 1963 and the Code of Civil Procedure, 1908, against various parties including Mr. Kapil Wadhawan, our Chairman and Non-Executive Director and Mr. Dheeraj Wadhawan ("**Defendants**"). The aforesaid suit has been filed inter alia seeking a declaration that Deed of Assignment dated March 15, 2010 and Supplementary Writing dated May 18, 2010, are valid, subsisting and binding and that the Defendants be directed to perform their obligations under the subject contract. Further, the Plaintiffs have also sought compensation for breach of the subject contract to the tune of ₹ 250,00,00,000 alongwith interest. The matter is currently pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on May 11, 2018, the Directors approved the issue of NCDs to the public, upto an amount not exceeding ₹ 30,000 lakh including a green shoe option, in one or more tranches. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders at the EGM held on January 31, 2018.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Directors and/or our Promoter have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, YES SECURITIES (INDIA) LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, YES BANK LIMITED, AXIS BANK LIMITED, A. K. CAPITAL SERVICES LIMITED, GREEN BRIDGE CAPITAL ADVISORY PRIVATE LIMITED AND TRUST INVESTMENT ADVISORS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, YES SECURITIES (INDIA) LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, YES BANK LIMITED, AXIS BANK LIMITED, A. K. CAPITAL SERVICES LIMITED, GREEN BRIDGE CAPITAL ADVISORY PRIVATE LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●].

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTER OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**

2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE TRANCHE 1 ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**

3. **WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT**

SECURITIES) REGULATIONS, 2008.**

4. **WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

WE CONFIRM THAT NO COMMENTS/ COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED [●], 2018 FILED WITH BSE LIMITED.

*(for the purposes of due diligence certificate, term 'Prospectus' shall constitute Shelf Prospectus and Tranche 1 Prospectus)***.**

Disclaimer Clause of BSE

[●]

Disclaimer Clause of the NHB

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED JULY 31, 2001 ISSUED BY THE NATIONAL HOUSING BANK UNDER SECTION 29A OF THE NATIONAL HOUSING BANK ACT, 1987. HOWEVER, THE NHB DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITIES BY THE COMPANY.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

Name of Lead Manager	Website
YES Securities (India) Limited	www.yesinvest.com
Edelweiss Financial Services Limited	www.edelweissfin.com
YES Bank Limited	www.yesbank.in
Axis Bank Limited	www.axisbank.com
A. K. Capital Services Limited	www.akgroup.co.in
Green Bridge Capital Advisory Private Limited	www.greenbridge.in
Trust Investment Advisors Private Limited	www.trustgroup.in

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE Limited . An application has been made to BSE Limited for permission to deal in and for an official quotation of our NCDs.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE Limited, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus and the relevant Tranche Prospectus(es).

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the BSE Limited mentioned above are taken within 12 Working Days from the date of closure of the relevant Tranche Issue.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription to any one or more of the series, such NCDs with series shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer (c) Lead Managers;

(d) the Registrar to the Issue, (e) Legal Advisor to the Issue, (f) Credit Rating Agencies, (g) the Debenture Trustee (h) Chief Financial Officer (i) Banker to the Company, and (j) CRISIL, in respective tranche to act in their respective capacities, have been obtained and the same will be filed along with a copy of the Shelf Prospectus and Tranche Prospectus with the RoC.

The consent of (a) Banker to the Issue (k) Refund Banker, (l) Consortium Members shall be obtained prior to each respective tranche and the same will be filed along with a copy of the Shelf Prospectus and Tranche Prospectus with the RoC.

The consent of the Joint Statutory Auditors namely M/s Deloitte Haskins & Sells LLP, *Chartered Accountants* and M/s Chaturvedi SK & Fellows, *Chartered Accountants* for (a) inclusion of their name as the Joint Statutory Auditors, (b) examination reports on Reformatted Financial Statements in the form and context in which they appear in this Draft Shelf Prospectus, and (c) statement of tax benefits have been obtained and has not withdrawn such consent and the same will be filed with RoC, along with a copy of the Shelf Prospectus and Tranche Prospectus.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Draft Shelf Prospectus:

1. Our Company has received consent from its Joint Statutory Auditors namely M/s Deloitte Haskins & Sells LLP, *Chartered Accountants* and M/s Chaturvedi SK & Fellows, *Chartered Accountants* to include their name as required under Section 26 (1) (v) of the Companies Act, 2013 and as "Expert" as defined under Section 2(38) of the Companies Act, 2013 in this Draft Shelf Prospectus in respect of the examination reports of the Auditors dated July 6, 2018 and statement of tax benefits dated July 9, 2018 included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.

2. Our Company has received consent from Credit Ratings Limited to act as the credit rating agency to the Issue and an expert as defined under Section 2 (38) of the Companies Act, 2013 vide its letter dated July 6, 2018.

3. Our Company has received consent from Brickwork Ratings India Private Limited to act as the credit rating agency to the Issue and an expert as defined under Section 2 (38) of the Companies Act, 2013 *vide* its letter dated July 6, 2018.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue as specified in each Tranche Prospectus. If our Company does not receive the minimum subscription of 75% of the Base Issue, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the respective Tranche Issue. In the event, there is a delay, by the Issuer in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Filing of this Draft Shelf Prospectus

A copy of this Draft Self Prospectus has been filed with BSE in terms of SEBI Debt Regulations for dissemination on their respective websites.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of the Shelf Prospectus and copies of relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Third Amendment Rules, 2016, dated July 19, 2016, further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-lA of the RBI (Amendment) Act, 1997 shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the NCDs, outstanding as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30^{th} day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on 31^{st} day of March of that year according to Applicable Law.

Issue Related Expenses

The expenses of this 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 break-up of the total expenses shall be as specified in the relevant Tranche Prospectus.

Reservation

No portion of this Issue has been reserved

Underwriting

The Issue has not been underwritten

Public/ Rights Issues

Our Company has not made any rights issues.

Except as mentioned below, our Group Companies have not made any public issuance of debentures:

1. DHFL undertook a public issuance of debentures in August 2016, the particulars of which have been set forth below:

Date of opening	August 3, 2016

Scheduled closing date	August 16, 2016	
Actual date of closing	August 4, 2016*	
Total issue size	₹ 4,00,000.00 lakhs	
Date of allotment	August 16, 2016	
Objects of the issue (as per the prospectus)	**Object**	**% of amount proposed to be financed from net proceeds**
	Onward lending, financing and for repayment of interest and principal of existing borrowings of our Company; and	At least 75%
	General corporate purposes	Maximum of up to 25%
Net utilization of issue proceeds	Fully utilized in accordance with the objects of the issue.	

** Pursuant to the resolution of the Finance Committee dated August 3, 2016, the issue was closed on August 4, 2016*.

2. Subsequently, DHFL undertook another public issuance of debentures commencing in August 2016, the particulars of which have been set forth below:

Date of opening	August 29, 2016	
Scheduled date of closing	September 12, 2016	
Actual date of closing	August 30, 2016*	
Total issue size	₹ 10,00,000.00 lakhs	
Date of allotment	September 9, 2016	
Objects of the issue (as per the prospectus)	**Object**	**% of amount proposed to be financed from net proceeds**
	Onward lending, financing and repayment of interest and principal of existing borrowings of our Company; and	At least 75%
	General corporate purposes	Maximum of up to 25%
Net utilization of issue proceeds	Fully utilized in accordance with the objects of the issue.	

**Pursuant to the resolution of the Finance Committee dated August 29, 2016, the issue was closed on August 30, 2016.*

3. DHFL has undertaken another public issuance of debentures commencing in May 2018, the particulars of which have been set forth below:

Date of opening	May 22, 2018	
Scheduled date of closing	June 4, 2018	
Actual date of closing	May 24, 2018*	
Total issue size	₹ 10,94,478.63 lakhs	
Date of allotment	June 4, 2018	
Objects of the issue (as per the prospectus)	**Object**	**% of amount proposed to be financed from net proceeds**
	Onward lending, financing and repayment of interest and principal of existing borrowings of our Company; and	At least 75%
	General corporate purposes	Maximum of up to 25%
Net utilization of issue proceeds	As the allotment in the public issuance of debentures has been made on June 4, 2018 and money has been transferred into DHFL's accounts on June 6, 2018, the data in relation to net utilisation of issue proceeds is not available.	

**Pursuant to the resolution of the Finance Committee dated May 23, 2018, the issue was closed on May 24, 2018.*

Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, which made any capital issue during the last three years

Nil

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on March 31, 2018 our Company has listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt. For further details, please refer to the chapter titled "*Financial Indebtedness*" on page 202.

Dividend

Our Company has a dividend distribution policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital expenditure, working capital and financial requirements and overall financial condition.

The following table details the dividend declared by our Company on the Equity Shares for the Fiscals 2018, 2017, 2016, 2015 and 2014.

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016*	Fiscal 2015*	Fiscal 2014*
Equity Share Capital	2,515	1,108	1,108	1,108	1,108
Face Value Per Share	10	10	10	10	10
Interim Dividend on Equity Shares	0	0	554	0	277
Final Dividend on Equity Shares**	0	775	111	665	277
Total Dividend on Equity Shares	0	775	665	665	554
Dividend Declared Rate (In %)	0%	70%	60%	60%	50%
Dividend Distribution Tax	0	158	135	135	94

**Figures are rounded off to nearest ₹in lakh*
***Proposed Final Dividend ₹7 aggregating to ₹2,119 Lakh, inclusive of tax on dividend in Board Meeting held on April 24, 2018, subject to shareholders approval in ensuing AGM*

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated June 28, 2018 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 despatch of the Allotment Advice, demat credit and refund orders 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. The contact details of Registrar to the Issue are as follows:

Karvy Computershare Private Limited

Karvy Selenium Tower B,
Plot 31-32, Financial District,
Nanakramguda, Gachibowli,
Hyderabad – 500 032
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2300 1153
Email: einward.ris@karvy.com
Investor Grievance Email: ahfl.ncdipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Regn. No: INR000000221
CIN: U72400TG2003PTC041636

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this agreement 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 fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly 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 Compliance Officer for the purposes of this Issue are set out below:

Sreekanth V. N
Company Secretary and Compliance Officer
No. 201, Raheja Point-1, Near Shamrao Vitthal Bank
Nehru Road, Vakola, Santacruz (East)
Mumbai – 400 055
Tel: +91 22 3950 9900
Fax: +91 22 3950 9934
Email: sreekanth.n@aadharhousing.com/ complianceofficer@aadharhousing.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, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application amount etc.

Change in Auditors of our Company during the last three years

There has been no change(s) in the Statutory Auditors of our Company in the last 3 (three) Fiscals preceding the date of this Draft Shelf Prospectus except as stated below:

Name of the Auditor	Address	Date of change	Reason for change
B.M Chaturvedi & Co Chartered Accountants	32, Jolly Maker Chambers - II Nariman Point, Mumbai – 400 021	July 24, 2017	Did not offer themselves for ratification of appointment at the AGM having completed their tenure of 13 consecutive years
Chaturvedi SK & Fellows Chartered Accountants	402 Dev Plaza, Swami Vivekanand Road, Andheri West Mumbai – 400 058	July 24, 2017	Appointed as Statutory Auditors for five years i.e. from the conclusion of 27th AGM till the conclusion of 32nd AGM.
Deloitte Haskins & Sells LLP Chartered Accountants	Indiabulls Finance Centre, Tower 3, 27th to 32nd Floor Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013	March 26, 2018	Appointed as Joint Statutory Auditors necessitated due to the merger of both erstwhile Aadhar Housing Finance Limited (Transferor Company) and DHFL Vysya Housing Finance Ltd. (Transferee Company or the Company) branches and increasing business activities of the Company

Details regarding lending out of Issue proceeds and loans advanced by the Company

A. ***Loans given by the Company***

Total Loans given by the Company as on March 31, 2018 is 7,96,585 lakhs

B. ***Types of loans***

1. The loans given by the Company out of the proceeds of previous issues are loans against mortgages.

   This being the Company's maiden public issue of NCDs, the Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoter out of the proceeds of previous issues.

2. Types of loan given by the Company as on March 31, 2018 are as follows:

S. No.	Type of loans	Amount (₹ in lakh)	Percentage (in %)
1	Housing Loan	654,689	82.19%
2	Other Property Loan	141,896	17.81%
	Total assets under management (AUM)	**7,96,585**	**100%**

3. Sectoral Exposure

S. No.	Segment-wise Break-up of AUM	Percentage of AUM
1	**Retail**	
a	Mortgages (home loans and loans against property)	98.36%
b	Gold loans	NA
c	Vehicle finance	NA

S. No.	Segment-wise Break-up of AUM	Percentage of AUM
d	MFI	NA
e	M&SME	NA
f	Capital market funding (loan against shares, margin funding)	NA
g	Others	NA
2	**Wholesale**	
a	Infrastructure	NA
b	Real estate(including builder loans)	1.64%
c	Promoter funding	NA
d	Any other sector (as applicable)	NA
e	Others	NA
	Total	**100.00%**

4. Denomination of loans outstanding by ticket size* as on March 31, 2018

S. No.	Ticket size**	Percentage of AUM***
1	Upto ₹ 5 lakh	10.50%
2	₹ 5-10 lakh	43.30%
3	₹ 10-25 lakh	42.76%
4	₹ 25-50 lakh	3.00%
5	>₹ 50 lakh	0.44%

** The ticket size is calculated on the borrower level rather than on a loan account level.*
***At the time of origination.*
****Excludes Project Finance AUM*

5. Denomination of loans outstanding by LTV* as on March 31, 2018

S. No	LTV	Percentage of AUM
1	Upto 50%	37.92%
2	50-60%	18.98%
3	60-70%	21.73%
4	70-80%	16.31%
5	>80%	5.05%
	Total	**100.00%**

** LTV at the time of origination*.

6. Geographical classification of borrowers as on March 31, 2018

Sr. No.	Regions	Percentage of AUM
1	North, East & Central	52.38%
2	South	24.20%
3	West	23.42%
	Total	**100.00%**

7. Types of loans according to sectorial exposure as on March 31, 2018 is as follows:

Sr. No.	Segment wise breakup of loan book (after actualisation)	Percentage of loan book
1	Housing Loans	80.89%
2	Other Property Loans	19.11%
	Total	**100.00%**

8. Maturity profile of total loan portfolio (net of provision) of the Company as on March 31, 2018 is as follows:

Period	Amount (₹ in lakhs)
Less than 1 month	0.43%
1-2 months	0.36%
2-3 months	0.36%
3-6 months	1.11%
6 months -1 year	2.29%
Above 1 year	95.45%
Total	**100.00%**

C. *Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31,2018*

	Amount (₹ in lakhs)
Total Advances to twenty largest borrowers	10,460
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	1.42%

D. *Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31,2018*

	Amount (₹ in lakhs)
Total Exposures to twenty largest borrowers/Customers	10,770
Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers	1.46%

E. *Details of loans overdue and classified as non – performing in accordance with the NHB guidelines*

Movement of gross NPAs*	**Amount (₹ in lakhs)**
(a) Opening balance	2,811
(b) Transferred on Amalgamation	3,276
(c) Additions during the year	3,966
(d) Reductions during the year	1,423
(e) closing balance	8,629

Movement of provisions for NPAs	**Amount (₹ in lakhs)**
(a) Opening balance	818
(b) Transferred on Amalgamation	1,060
(c) Provisions made during the year	1,205
(d) Write-off / write -back of excess provisions	192
(e) closing balance	2,891

F. *Segment –wise gross NPA on Loan book as on March 31, 2018*

S. No.	**Segment- wise breakup of gross NPAs**	**Gross NPA (%)**
1	**Housing Loans**	1.21%
2	Other Property Loans	0.98%
	Total	**1.17%**

G. *Classification of borrowings as on March 31, 2018*

S. No.	**Type of Borrowings**	**Amount (₹ in lakhs)**	**Percentage**
1	Secured	5,81,877	91.89%
2	Unsecured	51,372	8.11%
	Total	**6,33,249**	**100.0%**

H. *Residual maturity profile of assets and liabilities as on March 31, 2018*

(₹ in lakh)

	1 to 30/31 days (one month)	**Over one month to 2 months**	**Over 2 months to 3 months**	**Over 3 months to 6 months**	**Over 6 months to 1 year**	**Over 1 year to 3 years**	**over 3 to 5 years**	**Over 5 Years**	**Total**
Deposits	583	139	323	853	1,409	4,102	867	125	8,401
Housing and other loans	3,155	2,650	2,672	8,145	16,848	73,370	82,755	5,43,072	7,32,667
Investments	25,000	-	-	156	347	135	-	1,248	26,886
Borrowings	7,124	24,082	27,105	20,240	40,903	2,09,249	1,48,162	1,47,983	6,24,848

Trading

Debt securities issued by our Company on a private placement basis, which are listed on BSE Wholesale Debt Market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

SECTION VII- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This chapter should be read in conjunction with and is qualified in its entirety by more detailed information in the chapter titled "*Terms of the Issue*" on page 237.

The key common terms and conditions of the NCDs are as follows:

Issuer	Aadhar Housing Finance Limited
Type of instrument/ Name of the security/ Seniority	Secured Redeemable Non-Convertible Debentures
Nature of the instrument	Secured Redeemable Non-Convertible Debenture
Mode of the issue	Public issue
Lead Managers	YES Securities (India) Limited, Edelweiss Financial Services Limited, YES Bank Limited, Axis Bank Limited, A. K. Capital Services Limited, Green Bridge Capital Advisory Private Limited and Trust Investment Advisors Private Limited
Debenture Trustee	Beacon Trusteeship Limited
Depositories	NSDL and CDSL
Registrar	Karvy Computershare Private Limited
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Eligible investors	Please refer to the chapter titled "*Issue Procedure – Who can apply?*" on page 252
Objects of the Issue	Please refer to the chapter titled "*Objects of the Issue*" on page 55
Details of utilization of the proceeds	Please refer to the chapter titled "*Objects of the Issue*" on page 55
Interest rate for each category of investors	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issuance mode of the instrument	Demat* only
Frequency of interest payment	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest payment date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count basis	Actual/ Actual
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Amount	The principal amount on the NCDs along with interest, if any, accrued on them as on the Redemption Date
Redemption premium/ discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face value	₹ 1,000 per NCD
Issue Price (in ₹)	As specified in the relevant Tranche Prospectus for each Tranche Issue
Discount at which security is issued and the effective	As specified in the relevant Tranche Prospectus for each Tranche Issue

yield as a result of such discount.	
Put option date	Not applicable
Put option price	Not applicable
Call option date	Not applicable
Call option price	Not applicable
Put notification time.	Not applicable
Call notification time	Not applicable
Minimum Application size and in multiples of NCD thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue
Market Lot/ Trading Lot	One NCD
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 'CARE AA+ (SO) (Pronounced as CARE Double A Plus Structured Obligation); Outlook: Stable for an amount of ₹ 3,00,000 lakh, by CARE Ratings Limited ("CARE")and 'BWR AA+ (SO)' (Pronounced as BWR Double A Plus (Structured Obligation)), Outlook: Stable for an amount of ₹ 3,00,000 lakh, by Brickwork Ratings India Private Limited ("Brickwork") *vide* their letter dated July 6, 2018. The rating of CARE AA+ (SO), Outlook: Stable by CARE and BWR AA+ (SO), Outlook: Stable by Brickwork indicate that instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. For the rationale for these ratings, see *Annexure A* and *B* to this Draft Shelf Prospectus. DHFL, our group Company which currently holds 9.15% equity stake in our Company has by way of its irrevocable, valid and binding comfort letter dated July 5, 2018 stated that it intends to maintain around the existing shareholding, subject to maximum limit of 15% prescribed by NHB guidelines. Further, the Promoter and Promoter Group entities of our Company also hold a controlling stake of more than 30%, equity stake in DHFL and that the same will not be divested or liquidated in any manner for a minimum period of 5 years from the date of letter of comfort to bring it below 30%. Further, DHFL has confirmed that it will continue to provide strong support i.e. funding, operational or otherwise to our Company, on a transfer price. It will also continue to ensure that our Company maintains adequate capital for its business at all times. DHFL has also confirmed that it will ensure that our Company honours all its financial obligations in full and in a timely manner. For further details, please refer to the chapter titled "Material Contracts and Documents for Inspection" on page 280.
Listing	The NCDs are proposed to be listed BSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closure.
Issue size	As specified in the respective Tranche Prospectus
Modes of payment	Please refer to the chapter titled *"Issue Procedure – Terms of Payment*" on page 264.
Trading	In dematerialised form only
Issue opening date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue closing date**	As specified in the relevant Tranche Prospectus for each Tranche Issue ** *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 ("Board") or ("Management Committee"). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation 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 BSE.
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. or as may be otherwise specified by BSE. 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 BSE shall be considered as Record Date
Security and Asset Cover	The NCDs proposed to be issued will be secured by a first ranking pari passu charge on present and future receivables of the Issuer for the outstanding principal amount and interest thereon *(excluding the floating charge on the specific assets as per the provisions of Section 29B of the National Housing Bank Act, from time to time)*. The Issuer reserves the right to sell or otherwise deal with the receivables, both present and future, including to create a charge on *pari passu* basis thereon for its present and future financial requirements, with prior permission of Debenture Trustee in this connection as provide for in the Debenture Trust Deed and provided that a minimum-security cover of 1 (one) time on the outstanding principal amount and interest thereon, is maintained
Issue documents	This Draft Shelf Prospectus, the Shelf Prospectus, the Tranche 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 this Issue including but not limited to the Issue Agreement, Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Escrow Agreement, the Registrar Agreement, the Agreement with the Lead Managers and the Consortium Agreement. For further details, please refer to "*Material Contracts and Documents for Inspection*" on page 280.
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.
Events of default / cross default	Please refer to the chapter titled "*Terms of the Issue – Events of Default*" on page 249.
Deemed date of Allotment	The date on which the Board of Directors/or duly authorised committee thereof approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or duly authorised 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 (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	Please refer to the chapter titled "*Terms of the Issue – Trustees for the NCD Holders*" on page 238
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 any Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest. If the Redemption Date of any series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment

** In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. However, in terms of section 8(1) of the Depositories Act, our Company, at the request of the Investors* *who wish to hold the NCDs in physical form will rematerilise the NCDs. However, any trading in NCDs shall be compulsorily in dematerialized form only.*

***** *The subscription list shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Board or the Management Committee. In the event of such early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE.*

[#]*Final terms and conditions for the Issue will be decided at the respective Tranche Prospectus stage if our Company or DHFL are not complying with any of the above factors or for any downgrade in our ratings due to any of the above factors not being complied with by our Company or DHFL.*

SPECIFIC TERMS FOR EACH SERIES OF NCDs

As specified in the relevant Tranche Prospectus.

Terms of payment

The entire face value per NCDs is payable on application (except in case of ASBA Applicants). In case of ASBA Applicants, the entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall refund the amount paid on application to the Applicant, in accordance with the terms of the respective Tranche Prospectus.

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.

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 (in case of Applicants applying for Allotment of the NCDs in dematerialized form) 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.

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, please refer to the chapter titled "*Issue Procedure*" on page 251.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on May 11, 2018. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders *vide* their resolution approved at the EGM dated January 31, 2018.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Application Forms, the Abridged Prospectus, 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, 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 and senior obligations of our Company and shall be first ranked *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under the Issue and all earlier issues of secured debentures outstanding in the books of our Company, shall be first ranked *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the NCD holders shall rank pari passu to those of the other secured creditors of our Company, subject to applicable statutory and/or regulatory requirements.

The Company is required to obtain permissions / consents from the prior creditors for proceeding with this Issue. The Company has applied to the prior creditors for such permissions / consents and this is currently pending in relation to a certain prior creditor. The Company is aware that it will only be able to file the Shelf Prospectus with the Registrar of Companies after obtaining such permissions / consents and disclosing the same in the Shelf Prospectus and will ensure that the requisite permissions / consents from the prior creditors, pending on the date of this Draft Shelf Prospectus is obtained before the filing of the Shelf Prospectus.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Third Amendment Rules, 2016, dated July 19, 2016, further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-lA of the RBI (Amendment) Act, 1997 shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the NCDs, outstanding as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year.

Face Value

The face value of each NCD shall be ₹ 1,000.

Trustees for the NCD Holders

We have appointed Beacon Trusteeship Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. 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 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.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (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.

Default is committed in payment of the principal amount of the NCDs on the due date(s); and Default is committed in payment of any interest on the NCDs on the due date(s).

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 LODR 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. The opinion of the Debenture Trustee as to whether such resolution is affecting the right attached to the NCDs is final and binding on NCD holders. 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 on a specific request made to our Company.

2. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the

same are not acceptable to us.

3. 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.

4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, 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.

5. The Depositories shall maintain the up to date record of holders of the NCDs in dematerialized Form. 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 NCD in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.

6. A register of NCD Holders holding NCDs in physical form (pursuant to rematerialisation of the NCDs issued pursuant to the relevant Tranche Prospectus) ("**Register of NCD Holders**") will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date.

7. Subject to compliance with RBI and/or NHB 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 at least 21 days' prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company may redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of this Draft Shelf Prospectus, the respective Tranche 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**") and 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, Corporate 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, any person who becomes a nominee by virtue of the Rule 19, 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.

For all NCDs held in the dematerialized form, 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 in connection with NCDs held in the dematerialized form.

Applicants who have opted for rematerialisation of NCDs and are holding the NCDs in the physical form should provide required details in connection with their nominee to our Company at the time of rematerialisation.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

Applicants shall have the option to apply for all Series NCDs in this Issue in dematerialized form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable.

In terms of Regulation 4(2)(d) of the Debt Regulations, our Company will make public issue of the NCDs in the dematerialised form only. However, in terms of Section 8(1) of the Depositories Act, our Company, at the request in writing of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, any trading of the NCDs on stock exchange/s shall be compulsorily in dematerialized form only.

Transfer/ Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by 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. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

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.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirments) (Fourth Amendment) Regulations, 2018 ("**SEBI LODR IV Amendment**"), NCDs held in physical form, pursuant to any rematerialisation, as above, can not be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialized form only.

Please refer to "- *Interest/Premium*" on page 242 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.

Title

In case of:

- the NCDs held in the dematerialized form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and
- the NCDs held in physical form pursuant to 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 physical NCD certificate (issued in pursuant to rematerialisation) and no person will be liable for so treating the NCD Holder.

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for rematerialized 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 Maturity 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 NCD s will need to be settled with the seller of the NCDs and not with our Company or the Registrar.

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.

Procedure for Re-materialization 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 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 DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization. Please refer to the paragraph below titled "Restriction on transfer of NCDs" for rematerialized NCDs.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Issue. Pursuant to the SEBI (Listing Obligations and Disclosure Requirments) (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 this Issue shall be compulsorily in dematerialized form only.

Period of Subscription

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

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), (i) by the Lead Managers or the Trading Members of the Stock Exchange, as the case maybe, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Lead Managers or the Trading Members of the Stock Exchange, as the case maybe, only at the Selected Cities. On the Issue Closing Date Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

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 BSE 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 in accordance with SEBI Circular dated October 29, 2013.

Interest/Premium

As specified in the relevant Tranche Prospectus.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (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.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

However, in case of NCDs held in physical form pursuant to rematerialisation, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident Individuals and HUFs), if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted to our Company quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, 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 from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

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 Shelf 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.

Day Count Convention

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013 and the SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

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. (the "**Effective Date**"), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) 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.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No.CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be a disclosed in the relevant Tranche Prospectus.

Interest on Application Amount

Our Company shall pay interest (at the rate specified in the relevant Tranche Prospectus) on application amount on the amount allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicants to whom NCDs are allotted pursuant Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of BSE upto one day prior to the Deemed Date of Allotment.

Our Company 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 Applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment/ NCD Certificates at the sole risk of the Applicant, to the sole/first Applicant**.**

TDS on Interest on Application Amount

Interest on Application Amount is subject to deduction of income tax (including TDS) under the provisions of the Income Tax Act or any other statutory modification or re-enactment thereof, as applicable. Tax exemption certificate/declaration of non-deduction of tax at source on interest on Application Amount, if any, should be submitted along with the Application Form.

Interest on application amounts received which are liable to be refunded

Our Company shall pay interest (at the rate specified in the relevant Tranche Prospectus) on application amount on the amount allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicants to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of BSE upto one day prior to the Deemed Date of Allotment. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) along with the Letter(s) of Refund at the sole risk of the Applicant, to the sole/first Applicant.

In the event our Company does not receive a minimum subscription, as specified in the relevant Tranche Prospectus, our Company shall pay interest on application amount which is liable to be refunded to the Applicants, other than to ASBA Applicants, in accordance with the provisions of the Debt Regulations and/or the Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please refer to "*Issue Procedure- Rejection of Applications"* at page 269.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Put/ Call Option

As specified in the relevant Tranche Prospectus.

Application Size

As specified in the relevant Tranche Prospectus.

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.

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 refund the excess amount paid on application to the Applicant in accordance with the terms of this Draft Shelf Prospectus. For further details, please refer to the paragraph on "*Interest on Application Amount*" on page 243.

Manner of Payment of Interest / Refund

The manner of payment of interest / refund in connection with the NCDs is set out below:

For NCDs held in physical form:

In case of NCDs held in physical form on account of re-materialization, the bank details will be obtained from the documents submitted to our Company along with the re-materialisation request. *Please refer to "Procedure for Re-materialization of NCDs"* on page 241 for further details.

For NCDs applied / held in electronic form:

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 refunds 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.

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 Banks, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund 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 amount exceeds ₹ 2 lakh, 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 in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before 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 / refund / redemption shall be undertaken through NEFT wherever the Applicants' bank has 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. IFSC 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 de-mat account, the same will be duly mapped with the IFSC 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 only to Applicants that have provided details of a registered address in India. Refunds may be made by cheques, pay orders, or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. All cheques, pay orders, or demand drafts as the case may be, shall be sent by registered/speed post at the Investor's sole risk. Bank charges, if any, for cashing such cheques, pay orders, or demand drafts at other centres will be payable by the Applicant.

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of NCDs. In case of Applicants who have applied for Allotment of NCDs in dematerialized form, the Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds. For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be issued to the clearing system within 12 Working Days of the Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving refunds through these modes, giving details of the amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses (in India) of Applicants, as per Demographic Details received from the Depositories. The Demographic Details or the address details provided in the Application Form would be used for mailing of the physical refund orders, as applicable. Investors who have applied for NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of refund to the investors at their sole risk and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for such delays on part of the investors**.**

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCDs as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

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.

Procedure for Redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form pursuant to rematerialisation:

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 NCD 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 certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD Holder(s) 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 Holder(s) may be requested to surrender the NCD certificate(s) 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 NCD 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. Also, please refer to the para "*Payment on Redemption*" given below.

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 pursuant to rematerialisation:

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s). Dispatch of cheques/pay order, 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 NCD Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgement of the transfer documents with us at least 7 (seven) days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrars.

Our liability to 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).

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).

Issue of Duplicate NCD Certificate(s)

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

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

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and 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 post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

We 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, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

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"

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 the relevant Tranche 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 herein 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 relevant Tranche Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

Minimum Subscription

In terms of the SEBI circular dated June 17, 2014, 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 as specified in each Tranche Prospectus. If our Company does not receive the minimum subscription of 75 % of the Base Issue, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within 12 Days from the date of closure of the relevant Tranche Issue. In the event, there is a delay, by the Issuer in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank accounts until the documents for creation of security are executed and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.

2. 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;

3. 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.

4. We shall utilize the Issue proceeds only upon execution of the documents for creation of security as stated in this Draft Shelf Prospectus, the relevant Tranche Prospectus, on receipt of the minimum subscription and receipt of listing approval from BSE.

5. 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, or in the purchase of any business or in the purchase of an interest in any business.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (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 Options 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 including cross defaults, if any, and its consequences will be specified in the respective Debenture Trust Deed:

(i) default is committed in payment of the principal amount of the NCDs on the due date(s); and

(ii) default is committed in payment of any interest on the NCDs on the due date(s)

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and copies of relevant Tranche Prospectus will 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 Tranche Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Arrangers

No arrangers have been appointed for this Tranche I Issue

Listing

The NCDs offered through this Draft Shelf Prospectus are proposed to be listed on BSE. Our Company has obtained an 'in-principle' approval for the Issue from BSE *vide* their letter dated [●].

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 BSE are taken within 12 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

DHFL, our group Company which currently holds 9.15% equity stake in our Company has by way of its irrevocable, valid and binding comfort letter dated July 5, 2018 stated that it intends to maintain around the existing shareholding, subject to maximum limit of 15% prescribed by NHB guidelines. Further, the Promoter and Promoter Group entities of our Company also hold a controlling stake of more than 30%, equity stake in DHFL and that the same will not be divested or liquidated in any manner for a minimum period of 5 years from the date of letter of comfort to bring it below 30%. Further, DHFL has confirmed that it will continue to provide strong support i.e. funding, operational or otherwise to our Company, on a transfer price. It will also continue to ensure that our Company maintains adequate capital for its business at all times. DHFL has also confirmed that it will ensure that our Company honours all its financial obligations in full and in a timely manner. For further details, please refer to the chapter titled "*Material Contracts and Documents for Inspection*" on page 280.

Lien

Not Applicable

Lien on Pledge of NCDs

Subject to applicable laws, our Company, at its discretion, may note 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 chapter applies to all Applicants. ASBA Applicants should note that the ASBA process involves application procedures which may be different from the procedures applicable to Applicants who apply for NCDs through any of the other channels, and accordingly should carefully read the provisions applicable to ASBA Applications hereunder. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the Designated Branches of the SCSBs.

ASBA Applicants should note that they may submit their ASBA Applications to the Members of Consortium, or Trading Members of BSE only in the Specified Cities or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Lead Manager, or Trading Members of BSE at the centres mentioned in the Application Form. For further information, please refer to "-Submission of Completed Application Forms" on page 266.

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 Shelf Prospectus.

*Please note that this section has been prepared based on the circular no. CIR./IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI ("**Debt Application Circular**"). The procedure mentioned in this section is subject to BSE putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by BSE and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the BSE and/or SEBI. 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 this Issue.*

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of BSE, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL TRADING MEMBERS OF BSE WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY BSE WILL NEED TO APPROACH BSE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, BSE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

For purposes of the Issue, 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 public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the securities, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India.

The information below is given for the benefit of the investors. Our Company and the Members of Consortium are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

Please note that there is a single Application Form for ASBA Applicants as well as Non-ASBA Applicants who are Persons Resident in India.

Physical copies of the abridged Shelf Prospectus containing the salient features of the Shelf Prospectus, the respective Tranche Prospectus together with Application Forms may be obtained from:

1. Our Company's Registered Office and Corporate Office;
2. Offices of the Lead Managers/ Consortium Members;
3. Trading Members; and
4. Designated Branches of the SCSBs.

Electronic Application Forms may be available for download on the websites of BSE and on the websites of the SCSBs that permit submission of ASBA Applications electronically. A unique application number ("**UAN**") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of BSE can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of BSE at their request.

On a request being made by any Applicant before the Issue Closing Date, physical copies of this Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus and Application Form can be obtained from our Company's Registered and Corporate Office, as well as offices of the Members of Consortium. Electronic copies of this Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus will be available on the websites of the Lead Managers, the Stock Exchange, SEBI and the SCSBs.

Who can apply?

The following categories of persons are eligible to apply in the Issue:

Category I	**Category II**	**Category III**	**Category IV**
Institutional Investors	**Non-Institutional Investors**	**High Net-worth Individual, ("HNIs"), Investors**	**Retail Individual Investors**
• Public financial institutions scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Mutual Funds registered with SEBI	• Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks • Public/private charitable/ religious trusts which are	• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakh across all series of NCDs in Issue	• Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakh across all series of NCDs in Issue

Category I Institutional Investors	Category II Non-Institutional Investors	Category III High Net-worth Individual, ("HNIs"), Investors	Category IV Retail Individual Investors
• Venture Capital Funds/ Alternative Investment Fund registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹50,000 lakh as per the last audited financial statements; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;	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.		

Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

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 NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The Members of Consortium and their respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

1. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
2. 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;
3. Persons resident outside India and other foreign entities;
4. Foreign Institutional Investors;
5. Foreign Portfolio Investors;
6. Foreign Venture Capital Investors
7. Qualified Foreign Investors;
8. Overseas Corporate Bodies; and
9. Persons ineligible to contract under applicable statutory/regulatory requirements.

Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872

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.

Please refer to "*Rejection of Applications*" on page 269 for information on rejection of Applications.

Modes of Making Applications

Applicants may use any of the following facilities for making Applications:

1. ASBA Applications through the Members of Consortium, or the Trading Members of BSE only in the Specified Cities (namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) ("**Syndicate ASBA**"). For further details, please refer to "*Submission of ASBA Applications*" on page 257;

2. ASBA Applications through the Designated Branches of the SCSBs. For further details, please refer to "*Submission of ASBA Applications*" on page 257; and

3. Non-ASBA Applications through the Members of Consortium or the Trading Members of BSE at the centres mentioned in Application Form. For further details, please refer to "*Submission of Non-ASBA Applications*" on page 258.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016 ("**SEBI Circular 2016**"), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is reduced from 10.0% of net assets value to 5.0% of net assets value and single issuer limit is reduced to 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduces group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval.

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 Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized 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.**

Application by Systemically Important Non- Banking Financial Companies

Systemically Important Non- Banking Financial Company, a non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five hundred crore rupees as per the last audited financial statements can apply in this Tranche 1 Issue based on their own investment limits and approvals. 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**.

Application by Commercial Banks, Co-operative Banks and Regional Rural Banks

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. 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.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized 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 therefore.**

Application by Indian Alternative Investment 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 therefor.**

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 by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, 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) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorized person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. **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 National Investment Fund

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorized person. **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.**

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.**

Applications by Indian Scientific and/or industrial research organizations, 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 by 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 (No. 6 of 2009)

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions; (iv) 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 under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non-Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted 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. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms (ASBA as well as non-ASBA Applications) 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/ 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 FOR ALLOTMENT OF NCDs

Applications for allotment in the dematerialized form

Submission of ASBA Applications

Applicants can also apply for NCDs using the ASBA facility. ASBA Applications can be submitted through either of the following modes:

1. 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 ASBA 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 ASBA 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 registering such ASBA Applications.

2. Physically through the Members of Consortium, or Trading Members of BSE only at the Specified Cities

(Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of BSE at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

Upon receipt of the Application Form by the Members of Consortium 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 ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of BSE 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 Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). 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.

ASBA Applicants must note that:

1. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Members of Consortium and Trading Members of BSE at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and BSE at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of BSE at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Tranche Prospectus is made available on their websites.

2. The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA 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 Members of Consortium 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 refer to "*General Information – Issue Programme*" on page 40.

3. In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Members of Consortium 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 ASBA Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Non-ASBA Applications

Applicants must use the specified Application Form, which will be serially numbered, bearing the stamp of the relevant Lead Manager or Trading Member of the Stock Exchange, as the case maybe, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, at the centers mentioned in the Application Form along with the cheque or bank draft for the Application Amount, before the closure of the Issue Period. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.** BSE may also provide Application Forms for being downloaded and filled. Accordingly, the investors may download Application Forms and submit the completed

Application Forms together with cheques/ demand drafts to the Lead Manager, Consortium Members or Trading Member of BSE at the centers mentioned in the Application Form. On submission of the complete Application Form, the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, will upload the Application Form on the electronic system provided by the Stock Exchange, and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date and time and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft shall be forwarded to the Escrow Collection Banks for realization and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with:

1. any cancellation/ withdrawal of their Application;

2. queries in connection with allotment and/ or refund(s) of NCDs; and/or

3. all investor grievances/ complaints in connection with the Issue.

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 Shelf Prospectus, the Shelf Prospectus, the abridged Tranche 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.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.
- Applicants applying for Allotment in dematerialised form 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 BSE 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.
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same series or across different series. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the 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 Members of Consortium, Trading Members of BSE 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 Manager, Trading Member of BSE 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.
- All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form choosing either ASBA or Non-ASBA mechanism.
- ASBA 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 Members of Consortium, Trading Member of BSE in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Members of Consortium, Trading Member of the Stock Exchange, Escrow Collection 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 relevant Tranche 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 and Client ID 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 BSE 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 Members of Consortium, Trading Members of the Stock Exchange, Escrow Collection Bank(s), SCSBs, Registrar to the Issue nor BSE 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 (other than ASBA Applicants) 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 Members

of Consortium, Trading Members of the Stock Exchange, Escrow Collection Banks, SCSBs, Registrar to the Issue nor BSE 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 Shelf 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 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 may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. 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 for the same or other series of NCDs, subject to a minimum application size of ₹ [●] and in multiples of ₹ [●] thereafter as specified in the relevant Tranche 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 ₹ [●] lakh shall be deemed 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 number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche 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 the Application Forms are submitted at the collection centres provided in the Application Forms, bearing the stamp of a member of the Consortium or Trading Members of the Stock Exchange, as the case may be, for Applications other than ASBA Applications.
6. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
7. 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 BSE 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 NSE, 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.
8. 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.
9. 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;
10. 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 number of the HUF should be mentioned in the Application Form and not that of the Karta;
11. Ensure that the Applications are submitted to the Members of Consortium, Trading Members of BSE 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 refer to "*General Information – Issue Programme*" on page 40.
12. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
13. 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;
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. Applicants (other than ASBA Applicants) are requested to write their names and Application serial number

on the reverse of the instruments by which the payments are made;

17. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form; and
18. Tick the series of NCDs in the Application Form that you wish to apply for.

The Reserve Bank of India has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and non-CTS 2010 instruments in the three CTS grid locations.

SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 stipulating the time between closure of the Issue and listing at 12 Working Days. In order to enable compliance with the above timelines, investors are advised to use CTS cheques or use ASBA facility to make payment. Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected due to any clearing delays beyond 6 Working Days from the date of the closure of the Issue to avoid any delay in the timelines mentioned in the aforesaid SEBI Circular.

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 Members of Consortium, sub-brokers, Trading Members of BSE 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 the full Application Amount;
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);
13. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases; and
14. Do not make an application of the NCD on multiple copies taken of a single form.

Additional Instructions Specific to ASBA Applicants

Do's:

1. Before submitting the physical Application Form with the Member of the Syndicate at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
2. Ensure that you tick the ASBA option in the Application Form and give the correct details of your ASBA Account including bank account number/ bank name and branch;
3. For ASBA Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Members of the Syndicate at the Syndicate ASBA Application Locations or the Trading Members and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to the Issuer, the Registrar;
4. For ASBA Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to the Issuer, the Registrar or the Members of the Syndicate or Trading Members;

5. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
6. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Members of the Syndicate at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;
8. 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 via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;
9. Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, or the Trading Member, as the case may be, for the submission of the Application Form; and
10. 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 for ASBA applications.

Don'ts:

1. 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;
2. Do not submit the Application Form to the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.
3. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
4. Do not submit more than five Application Forms per ASBA Account.

Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of BSE at the Specified Cities 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 Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit such Application Forms (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes)).

Please refer to "*Rejection of Applications*" on page 269 for information on rejection of Applications.

TERMS OF PAYMENT

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

Payment mechanism for ASBA Applicants

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Members of Consortium or Trading Members of BSE at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of BSE and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). 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.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of Consortium 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, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. 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 12 (twelve) 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.

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company shall open an Escrow Account with each of the Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall draw the cheque or demand draft in respect of his or her Application. Cheques or demand drafts received for the full Application Amount from Applicants would be deposited in the Escrow Account(s). All cheques/ bank drafts accompanying the Application should be crossed "A/c Payee only" for eligible Applicants must be made payable to the account details as specified in the relevant Tranche Prospectus. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.**

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement and the Shelf Prospectus.

The Escrow Collection Banks will act in terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Applicants, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of NCDs (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account(s) maintained with the Bankers to the Issue provided that our Company will have access to such funds only after receipt of minimum subscription and creation of security for the NCDs as described in relevant Tranche Prospectus, receipt of final listing and trading approval from BSE and execution of the Debenture Trust Deed.

The balance amount after transfer to the Public Issue Account(s) shall be transferred to the Refund Account. Payments of refund to the relevant Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement, the Shelf Prospectus and the relevant Tranche Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Applicants.

Each Applicant shall draw a cheque or demand draft mechanism for the entire Application Amount as per the following terms:

1. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.

2. The Applicants shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Accounts and submit the same along with their Application. If

the payment is not made favouring the Escrow Accounts along with the Application Form, the Application is liable to be rejected by the Escrow Collection Banks. Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn as specified in the relevant Tranche Prospectus.

4. The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants (other than ASBA Applicants) till the Designated Date.

5. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account(s) with the Bankers to the Issue and the refund amount shall be transferred to the Refund Account.

6. Payments should be made by cheque or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques, post-dated cheques and cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/ money orders/ postal orders will not be accepted. Please note that cheques without the nine-digit Magnetic Ink Character Recognition ("**MICR**") code are liable to be rejected.

7. Applicants are advised to provide the Application Form number on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.

8. Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount**.**

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
ASBA Applications	(i) If using <u>physical Application Form</u>, (a) to the Members of Consortium or Trading Members of BSE only at the Specified Cities ("**Syndicate ASBA**"), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.
Non-ASBA Applications	Consortium Members or Trading Members of BSE at the centres mentioned in the Application Form.

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Members of Consortium/ Trading Members of BSE will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as a duplicate Application Form for the records of the Applicant.

Syndicate ASBA Applicants must ensure that their ASBA Applications are submitted to the Members of Consortium or Trading Members of the BSE only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the BSE at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

For information on the Issue programme and timings for submission of Application Forms, please refer to "*General Information – Issue Programme*" on page 40.

Applicants other than ASBA Applicants are advised not to submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Electronic Registration of Applications

(a) The Members of Consortium, Trading Members of BSE and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. **The Members of Consortium, 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 SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.**

    In case of apparent data entry error by the Members of Consortium, Trading Members of the Stock Exchange, Escrow Collection Banks or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of BSE in the data entries as such data entries will be considered for allotment/rejection of Application.

(b) BSE will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Members of Consortium, Trading Members of BSE and the SCSBs during the Issue Period. The Members of Consortium and Trading Members of BSE can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Members of Consortium, Trading Members of BSE and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of Consortium, Trading Members of BSE and the Designated Branches of the SCSBs 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. For further information on the Issue programme, please refer to "*General Information – Issue Programme*" on page 40.

(c) At the time of registering each Application, other than ASBA Applications, the Members of Consortium, or Trading Members of BSE shall enter the requisite details of the Applicants in the on-line system including:

    - Application Form number
    - PAN (of the first Applicant, in case of more than one Applicant)
    - Investor category and sub-category
    - DP ID
    - Client ID
    - Series of NCDs applied for
    - Number of NCDs Applied for in each series of NCD
    - Price per NCD
    - Application amount
    - Cheque number

(d) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Bank account number
- Application amount

(e) With respect to ASBA Applications submitted to the Members of Consortium, or Trading Members of BSE only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- Application Form number
- PAN (of the first Applicant, in case of more than one Applicant)
- Investor category and sub-category
- DP ID
- Client ID
- Series of NCDs applied for
- Number of NCDs Applied for in each series of NCD
- Price per NCD
- Bank code for the SCSB where the ASBA Account is maintained
- Location of Specified City
- Application amount

(f) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Members of Consortium, Trading Members of BSE and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Members of Consortium, Trading Members of BSE and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**

(g) Applications can be rejected on the technical grounds listed on page 269 or if all required information is not provided or the Application Form is incomplete in any respect.

(h) The permission given by BSE 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, the Lead Managers are cleared or approved by BSE; 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 Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on BSE.

(i) Only Applications that are uploaded on the online system of BSE shall be considered for allocation/ Allotment. The Members of Consortium, Trading Members of BSE and the Designated Branches of the SCSBs 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 the Members of Consortium, Trading Members of BSE and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed 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:

i. Applications submitted without payment of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
ii. Applications not being signed by the sole/joint Applicant(s);
iii. Investor Category in the Application Form not being ticked;
iv. Application Amount paid being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
v. Applications where a registered address in India is not provided for the Applicant;
vi. In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However, a Limited Liability Partnership firm can apply in its own name;
vii. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants;
viii. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
ix. 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;
x. DP ID and Client ID not mentioned in the Application Form;
xi. GIR number furnished instead of PAN;
xii. Applications by OCBs;
xiii. Applications for an amount below the minimum application size;
xiv. Submission of more than five ASBA Forms per ASBA Account;
xv. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
xvi. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
xvii. Applications accompanied by Stockinvest/ money order/ postal order/ cash;
xviii. 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);
xix. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
xx. Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
xxi. ASBA Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does not match with the signature available on the Applicant's bank records;
xxii. Application Forms submitted to the Members of Consortium, or Trading Members of BSE does not bear the stamp of the relevant Lead Manager or Trading Member of BSE, as the case may be. ASBA Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of Consortium, or Trading Members of BSE, as the case may be;
xxiii. ASBA Applications not having details of the ASBA Account to be blocked;
xxiv. 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;
xxv. With respect to ASBA Applications, 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;

xxvi. With respect to ASBA Applications, the ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds;
xxvii. 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;
xxviii. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
xxix. Applications where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
xxx. Authorization to the SCSB for blocking funds in the ASBA Account not provided;
xxxi. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
xxxii. Applications by any person outside India;
xxxiii. Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
xxxiv. Applications not uploaded on the online platform of the Stock Exchange;
xxxv. Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
xxxvi. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and as per the instructions in the Application Form, the Shelf Prospectus and the relevant Tranche Prospectus;
xxxvii. Non- ASBA Applications accompanied by more than one payment instrument;
xxxviii. 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;
xxxix. 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;
xl. Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number;
xli. ASBA Applications submitted to the Members of Consortium, or Trading Members of the BSE at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained;
xlii. ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
xliii. Applications tendered to the Trading Members of the BSE at centers other than the centers mentioned in the Application Form;
xliv. Investor Category not ticked; and/or
xlv. Application Form accompanied with more than one cheque.
xlvi. 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.
xlvii. Forms not uploaded on the electronic software of the Stock Exchange.
xlviii. ASBA Application submitted directly to escrow banks who aren't SCSBs.
xlix. Payment made through non-CTS cheques.

Kindly note that ASBA Applications submitted to the Members of Consortium, or Trading Members of the BSE 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 Members of Consortium, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please refer to "*Information for Applicants*" on this page 270.

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 BSE 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 ASBA Applicants submitted to the Members of Consortium, and Trading Members of BSE 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.

In case of non-ASBA Applications, 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 Escrow Collection Banks with the electronic details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar 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 Applications 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.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

As specified in the relevant Tranche Prospectus.

Allocation Ratio

Allocation for each category of investors shall be specified in the relevant Tranche Prospectus.

Retention of oversubscription

As specified in the relevant Tranche Prospectus

PAYMENT OF REFUNDS

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/ give instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/ Allotment of NCDs.

The Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds.

For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Issue Closing Date. A suitable communication shall be dispatched to the Applicants receiving refunds through these modes, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses of Applicants, as per the Demographic Details received from the Depositories.

The Demographic Details would be used for mailing of the physical refund orders, as applicable.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the following modes:

1. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

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 at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2.0 lakh, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine-digit MICR code of the Applicant’s bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code (IFSC). Charges, if any, levied by the Applicant’s bank receiving the credit would be borne by the Applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Applicant’s bank has 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. IFSC 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 of that particular bank branch and the payment of refund will be made to the Applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post or Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, 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 12 Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

With respect to Applicants other than ASBA Applicants, our Company shall (i) ensure dispatch of Allotment Advice/ intimation within 12 Working Days of the Issue Closing Date, and (ii) give instructions for credit of NCDs to the beneficiary account with Depository Participants, for successful Applicants who have been allotted NCDs in dematerialized form, within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful Applicants who have been allotted NCDs in dematerialized form will be mailed to their addresses as per the Demographic Details received from the Depositories.

With respect to the ASBA Applicants, our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful ASBA Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at BSE where the NCDs are proposed to be listed are taken within 12 Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be refunded within fifteen days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be refunded to 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 refund orders and Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Withdrawal of ASBA Applications

ASBA Applicants can withdraw their ASBA Applications during the Issue Period by submitting a request for the same to Consortium Member, Trading Member of BSE 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 Consortium Member, or Trading Members of BSE at the Specified Cities, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Consortium Member, 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 ASBA Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of BSE and unblocking of the funds in the ASBA Account directly.

Withdrawal of Non-ASBA Applications

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to Consortium Member, or Trading Member of the Stock Exchange, as the case may be, through whom the Application had been placed. Upon receipt of the request for withdrawal from the Applicant, the relevant Consortium Member, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn Non-ASBA Application Form from the electronic system of the Stock Exchange.

Withdrawal of Applications after the Issue Period

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.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE and notice No: NSE/CML/2012/0672 dated August 7, 2012 issued by NSE, 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. 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 Consortium Member / Trading Members of the Stock Exchange/ the SCSBs, 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(s) 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 Consortium Member, Trading Members of the BSE and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

i. Tripartite agreement dated June 21, 2018 among our Company, the Registrar and CDSL and tripartite agreement dated July 2, 2018 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.
ii. 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.
iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
v. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
vi. It may be noted that NCDs in electronic form can be traded only on BSE having electronic connectivity with NSDL or CDSL. BSE has connectivity with NSDL and CDSL.
vii. Interest or other benefits with respect to the NCDs held in dematerialized 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.
viii. The trading of the NCDs on the floor of BSE shall be in dematerialized form only.

Please also refer to "*Instructions for filling up the Application Form - Applicant's Beneficiary Account and Bank Account Details*" on page 260.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF BSE SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant's DP ID and

Client ID, Applicant's PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Manager, Trading Member of BSE or Designated Branch, as the case may be, where the Application was submitted, and cheque/ draft number and issuing bank thereof or with respect to ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Compliance Officer (and Company Secretary) or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on application amount or credit of NCDs in the respective beneficiary accounts, as the case may be.

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) Undertaking by our Company for execution of Debenture Trust Deed;
f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Draft Shelf Prospectus and the Shelf Prospectus, on receipt of the minimum subscription of 75% of the Base Issue as specified in each Tranche Prospectus and receipt of listing and trading approval from the Stock Exchange.
g) 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.
h) 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, dealing in equity of listed companies or lending/investing in group companies.
i) The allotment letter shall be issue or such application money shall be refunded within 15 days from the closure of the respective Tranche Issue or such lesser time as ay be specified 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 12 Working Days of the Issue Closing Date;
d) Funds required for dispatch of refund orders/Allotment Advice/NCD Certificates 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 Statutory Auditor, to the Debenture Trustee on a half-yearly basis;

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 the Shelf Prospectus and the relevant Tranche Prospectus.
g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.
h) Our Company shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our company from time to time

SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

The main provisions of the AOA relating to the issue and allotment of debentures and matters incidental thereto have been set out below. Please note that each provision herein below is numbered as per the corresponding article number in the AOA. All defined terms used in this section have the meaning given to them in the AOA. Any reference to the term "Article" hereunder means the corresponding article contained in the AOA.

Clause (e) of Article 18 provides that the Company may by resolution, as prescribed by the Act and the Rules, reduce its capital in any manner and in accordance with the provisions of the Act:

Sub-clause (i) of Article 18(e), its share capital; and/or
Sub-clause (ii) of Article 18(e), any capital redemption reserve account; and/or
Sub-clause (iii) of Article 18(e), any share premium account.

Article 18 further provides that subject to the provisions of the Act, the Company may, by ordinary resolution:

a. increase its share capital by such amount as may be specified in the resolution;
b. consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
c. convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination;
d. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by its Memorandum of Association; and
e. cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person.

Clause (iv) of Article 7 provides that if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

Article 20 provides that every person whose name is entered as a member in the Register of Members, shall be entitled to receive within two months from the date of allotment or within such period as the Act or Rules may prescribe after the registration of transfer or transmission or within such other period as the conditions of issue shall provide:

Clause (i) of Article 20, one certificate for all his shares without payment of any charges; or
Clause (ii) of Article 20, several Certificates, each for one or more of his shares, upon payment of twenty rupees or as applicable for each certificate after the first.

Clause (ii) of Article 21 provides that Certificate shall be issued in the form and manner prescribed in the Act, the Rules and other applicable laws.

Clause (ii) of Article 22 provides that the provisions of the foregoing Articles relating to issue of new Certificate shall *mutatis mutandis* apply to debentures of the Company.

Article 29 provides that notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing securities pursuant to the Depositories Act, 1996 and to offer its fresh securities for subscription in a dematerialised form.

Article 46 provides that the Company shall have a first and paramount lien:-
(i) on every share (not being a fully paid share), for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
(ii) on all shares (not being fully paid shares) standing registered in the name of a Member, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Article 79 provides that the instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.

The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Article 80 provides that the Board may, subject to the right of appeal conferred by the Act decline to register –
Clause (i) of Article 80, the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
Clause (ii) of Article 80, any transfer of shares on which the Company has a lien.

Clause (i) of Article 83 provides that on the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

Clause (i) of Article 84 provides that Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –
(i) to be registered himself as holder of the share; or
(ii) to make such transfer of the share as the deceased or insolvent member could have made.

Clause (ii) of Article 84 provides that the Board shall, in either case, have the same right to decline or suspend registration as received from such legal heir as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

Article 111 provides that notwithstanding what is stated in these Articles, subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company shall have the power to buy-back its own shares or other specified securities.

Clause (i) of Article 112 provides that the Board may from time to time at its discretion as per Section 180(1)(c), by a resolution passed at a meeting of the Board receive deposits or loans from shareholders either in an advance of call or otherwise and generally raise or borrow money by way of deposits (Public Deposits, Inter-Corporate Deposits or otherwise), loans, overdrafts, cash credit or by issue of bonds, debentures/ NCDs and other types or debentures stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, corporate body, bank, financial institution, Government or any authority, or any other body (whether in India or abroad) for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed as may be required, subject to the applicable provisions of the Act.

Provided that the Board may not exercise their power under these Articles to borrow or secure monies if the total amount exceeding the Company's paid-up share capital and free reserves accounts without the authority of a resolution passed by the shareholders of the Company under the applicable provisions of Act.

Clause (ii) of Article 112 provides that subject to the provisions of the Companies Act, 2013 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 or any other statutory enactment(s), modification(s) or amendment(s), thereof, the Board or Committee thereof shall have the power to consolidate or re-issue its debt securities issued under the earlier ISIN from time to time, upon such terms and conditions and in such manner as the Board or Committee thereof may consider fit/beneficial for the Company.

Article 113 provides that the payment or repayment of the moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by the issue of debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and debentures, and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Article 114 provides that any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise or may be issued on the condition that they shall be convertible into shares of any denomination or with any special privileges or conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of directors and otherwise.

Article 172 provides that the Company may exercise the powers conferred on it by the Act with regard to keeping of a Foreign Register and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such Register.

Article 177 provides that the business of the Company shall be managed by the Board of Directors who may pay all expenses incurred in setting up and registering the Company and may exercise all such powers of the Company as are not restricted by the Act or any applicable statutory modification thereof or by these Articles, required to be exercised by the Company in a General Meeting, subject nevertheless, to any regulations of these Articles, to the provision of the Act, and to such regulations being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in a General Meeting.

Further, nothing shall invalidate any prior act of the Directors, which would have been valid if that regulation had not been made.

Article 185 provides that the Company may by an ordinary resolution remove any Director (not being an IFC Nominee Director) where special notice of the resolution has been given in accordance with the provisions of Section 115 of the Act.

Article 245 provides that minutes of any meeting of the Board or any Committee of the Board or of the Company in General Meeting, if kept in accordance with the provisions of Sections 118 of the Act, shall be evidence of the matters stated in such minutes.

Article 247 provides that subject to the provisions of the Act, the Board shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general direction, management and superintendence of the business of the Company with full powers to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company, and to make and sign all such contracts and to draw and accept on behalf of the Company all such bills of exchange, hundis, cheques, drafts and other Government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these presents are expressly directed to be exercised by shareholders in the General Meeting.

Clause (vii) of Article 259 provides that the Company shall insure and keep insured, at a minimum level as, all of its assets and business against insurable losses, including directors' and officers' liability if so required, and maintain other insurance in respect of its business as may be required under law.

Article 278 provides that every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

Article 279 provides that subject to the provisions of the Act, every officer, auditor and former director of the Company shall be indemnified by the Company, to pay all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by him in defending any proceedings whether civil or criminal to which he is made a party by the reason of being or having been a Director or officer of the Company.

SECTION IX- MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Shelf Prospectus) 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 Corporate Office of our Company situated at 201, Raheja Point -1, Near Shamrao Vithal Bank, Nehru Road, Vakola, Santacruz (E), Mumbai – 400 055, Maharashtra, India between 10 am to 5 pm on any Working Day (Monday to Friday) during which issue is open for public subscription under the respective Tranche Prospectus.

MATERIAL CONTRACTS

1. Issue Agreement dated July 9, 2018 between our Company and the Lead Managers.
2. Registrar Agreement dated June 28, 2018 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated June 28, 2018 executed between our Company and the Debenture Trustee.
4. Escrow Agreement dated [●] between our Company, the Registrar, the Escrow Collection Bank(s), and the Lead Managers.
5. Tripartite agreement dated June 21, 2018 among our Company, the Registrar and CDSL.
6. Tripartite agreement dated July 2, 2018 among our Company, the Registrar and NSDL.
7. Consortium Agreement dated [●] between our Company, the Consortium Members and the Lead Managers.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated November 26, 1990, issued by Registrar of Companies, Karnataka, at Bengaluru.
3. Certificate of Registration dated April 5, 2018 bearing registration no. 04.0168.18 issued by the National Housing Bank.
4. Copy of shareholders' resolution approved at the EGM dated January 31, 2018, under section 180 (1) (c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
5. Copy of the resolution by the Board of Directors dated May 11, 2018, approving the issue of NCDs.
6. Copy of the resolution passed by the Board on July 6, 2018 , approving this Draft Shelf Prospectus.
7. Management Committee at its meeting held on July 9, 2018, approving this Draft Shelf Prospectus.
8. Letter dated July 6, 2018 by CARE Ratings Limited assigning a rating of 'CARE AA+ (SO) (Pronounced as CARE Double A Plus Structured Obligation)' for the Issue with rating rationale.
9. Letter dated July 6, 2018 by Brickwork Ratings India Private Limited assigning a rating of 'BWR AA+ (SO) (Pronounced as BWR Double A Plus (Structured Obligation), Outlook: Stable' for the Issue with rating rationale.
10. Comfort letter dated July 5, 2018 issued by DHFL for non-convertible debenture issue programmes of our Company for an amount up to ₹ 4,70,000 lakhs.
11. Consents of the Directors, Chief Financial Officer, our Company Secretary and Compliance Officer, Lead Managers, Members of the Consortium, Legal Advisor to the Issue, Agency issuing Industry Report, Credit Rating Agencies, Bankers to the Company, Escrow Collection/Bankers to the Issue, Refund Bank, Registrar to the Issue and the Debenture Trustee for the NCDs, to include their names in this Draft Shelf Prospectus, in their respective capacities and the NOCs received from Lenders to our Company.
12. Consent of the Joint Statutory Auditors of our Company, for inclusion of their name and the report on the Reformatted Financial Statements in the form and context in which they appear in this Draft Shelf Prospectus and their statement on tax benefits mentioned herein.
13. The examination report dated July 6, 2018 in relation to the Reformatted Standalone Financial Statements included therein.
14. The examination report dated July 6, 2018 in relation to the Reformatted Consolidated Financial Statements included therein.
15. Statement of tax benefits dated July 9, 2018 issued by our Statutory Auditors.
16. Annual Report of our Company for the last five Fiscals.
17. In-principle listing approval from BSE by its letter no. [●] dated [●].
18. Due Diligence Certificate dated [●] filed by the Lead Managers with SEBI on [●].
19. Business Referral Agreement dated April 25, 2018.
20. Shareholder's Agreement between our Company, the Promoter, DHFL and IFC dated March 5, 2018.

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the 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 amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Draft Shelf Prospectus.

We further certify that all the disclosures and statements in this Draft Shelf Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Kapil Rajeshkumar Wadhawan
Non Executive Director and Chairman

Deo Shankar Tripathi
Managing Director and Chief Executive Officer

Suresh Mahalingam
Additional Director

Venkatesan Sridar
Independent Director

Guru Prasad Kohli
Independent Director

Place: Mumbai
Date: July 9, 2018

ANNEXURE A

CARE Ratings
Professional Risk Opinion

CARE/HO/RL/2018-19/2127
Mr. Deo Shankar Tripathi
Chief Executive Officer
Aadhar Housing Finance Ltd.,
201, Raheja Point, 2nd floor,
Near Shamrao Vithal Bank
Nehru Road, Vakola,
Santacruz (East),
Mumbai 400 055

July 06, 2018

Confidential

Dear Sir,

Credit rating for proposed Non-Convertible Debenture issue

Please refer to your request for rating of proposed long-term non-convertible debenture (NCD) issue aggregating to Rs. 3000 crore of your company.

2. The following ratings have been assigned by our Rating Committee:

Instrument	Amount (Rs. crore)	Rating[1]	Rating Action
Proposed Non-Convertible Debenture issue	3000 (Rs. Three thousand crore only)	**CARE AA+(SO); Stable (Double A Plus (Structured Obligation)Outlook; Stable)**	**Assigned**

3. The above rating is based on credit enhancement in the form of letter of comfort issued by Dewan Housing Finance Corporation Ltd. to the investors of Aadhar Housing Finance Ltd.

4. Please arrange to get the rating revalidated, in case the proposed issue is not made within a period of **six months** from the date of our initial communication of rating to you (that is July 05, 2018)

[1] *Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.*

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5. In case there is any change in the size or terms of the proposed issue, please get the rating revalidated.

6. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

7. Kindly arrange to submit to us a copy of each of the documents pertaining to the NCD issue, including the offer document and the trust deed.

8. The rationale for the rating will be communicated to you separately. A write-up (press release) on the above rating is proposed to be issued to the press shortly, a draft of which is enclosed for your perusal as Annexure. We request you to peruse the annexed document and offer your comments if any. We are doing this as a matter of courtesy to our clients and with a view to ensure that no factual inaccuracies have inadvertently crept in. Kindly revert as early as possible. In any case, if we do not hear from you by July 06 2018, we will proceed on the basis that you have no any comments to offer.

9. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

10. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall

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be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

11. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.

12. CARE ratings are **not** recommendations to buy, sell or hold any securities.

If you need any clarification, you are welcome to approach us in this regard. We are indeed, grateful to you for entrusting this assignment to CARE.

Thanking you,

Yours faithfully,

AJain

[Akansha Jain]
Analyst
akansha.jain@careratings.com

[Ravi Kumar Dasari]
Associate Director
ravi.kumar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.
In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure I

Press Release

Aadhar Housing Finance Limited

Ratings

Facilities	Amount (Rs. Crore)	Rating*	Remarks
Non-Convertible Debentures*	3000	**CARE AA+(SO);Stable (Double A Plus (Structured Obligation); Outlook: Stable)**	**Assigned**
	3000 (Rs. Three Thousand crore only)		

*The ratings are based on credit enhancement in the form of a 'Letter of Comfort 'issued by Dewan Housing Finance Corporation Ltd. (DHFL), rated **CARE AAA" (Triple A),** in favour of AHFL"s lenders.

All the above ratings are backed by a letter of comfort issued by Dewan Housing Finance Corporation Ltd.

Detailed Rationale & Key Rating Drivers of DHFL (LOC provider)

The rating factors in consistent track record of Dewan Housing Finance Corporation Limited (DHFL) in the housing finance sector spanning over three decades across business cycles and expertise in lending to the lower-middle income group borrower segment while maintaining asset quality. The growing credit demand in this market segment coupled with the Government's thrust on providing affordable housing are expected to enable DHFL in further strengthening its business position in this segment. The ratings also factor in DHFL's experienced management, adequate capital adequacy, diversified resource profile, stable profitability and increasing share of non-housing loans, which is a relatively riskier segment. Capitalization levels, gearing and asset quality are the key rating sensitivities.

Detailed description of the key rating drivers

Key rating strengths

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Consistent track record of business performance across business cycles and expertise in lending in the niche market segment of Lower and Middle Income group

DHFL has a consistent track record of over three decades in the housing finance business spanning across business cycles. Over the years, the company has developed expertise in lending to borrowers in the lower and middle income group segment while maintaining stable asset quality. The penetration of housing finance market in India continues to be low and India's urban housing shortage is primarily driven by the LIG and EWS categories. The growing credit demand in this market segment coupled with the Government's thrust in providing affordable housing throughout the country through various schemes/ programmes is expected to enable DHFL in further strengthening its business position in this segment.

Experienced management

The company's management team is led by Mr Kapil Wadhawan who is the Chairman and Managing Director (CMD). He is assisted by an experienced management team. The group few years back had formed group management centre (GMC) which has inducted experienced professionals from the industry. The GMC comprises of Mr. Srinath Sridharan, Mr. M. Suresh (former MD and CEO – Tata AIG) and Mr. G Ravi Shankar (former CEO and CFO roles in GE, Jet Airways and Geometric Limited). The role of the GMC is to provide strategic direction to group companies and bring in better governance.

Diversified resource profile and average capitalization levels

The company has demonstrated track record of raising capital (both equity and debt) at regular intervals to fund business growth and has a diversified resource profile. As on March 31, 2018, bank borrowings comprised 42% of the total borrowings [P.Y.: 42%], NHB refinance- 3% [P.Y.: 4%], market borrowings- 40% [P.Y.: 42%], public deposits- 11% [P.Y.: 8%] and external commercial borrowings- 3% [P.Y.: 4%]. DHFL's overall gearing remain stable at 10.54x as on March 31, 2018 [P.Y.: 10.29x]. The company also recently concluded public issuance of NCD of Rs.12,000 crore.

As on March 31, 2018, company's CAR and Tier I CAR stood at 15.29% [P.Y.: 19.12%] and 11.52% [P.Y.: 14.75%] respectively.

Comfortable asset quality

Over the years, DHFL has developed the expertise in lending to the low-middle income group segment while maintaining comfortable asset quality parameters. However, asset quality of its LAP and project finance portfolio remains to be seen. The company reported Gross NPA ratio of 0.96% as on March 31, 2018 [P.Y.: 0.94%] and Net NPA ratio of 0.56% [P.Y.: 0.58%]. The Net NPA to Net worth ratio stood at 5.85% as on March 31, 2018 [P.Y.: 5.30%].

Average profitability

During FY18, NIM remains stable at 2.46% as compared to 2.50% in FY17. DHFL reported PAT of Rs.1172 crore in FY18 as against PAT of Rs.2896 crore (including one-time gain of Rs.1969 crore) in FY17. During FY18, DHFL's ROTA (adjusted for one time profit) as well as adjusted ROTA (adjusted for off book assets and one time profit) remained stable at 1.17% [P.Y.: 1.16%] and 1.02% [P.Y.: 1.03%].

Comfortable liquidity profile

As on March 31, 2018, the liquidity statement showed positive cumulative mismatch in the short term bucket of up to 1 year. Further, DHFL also has unutilized funding lines of Rs.3,603 crore (including NHB sanctions, unutilized CC facilities and unavailed term loan and pool buyout sanctions) which is expected to enable the company in bridging the probable mismatches.

Key rating weaknesses

Exposure to low and middle income segment with increasing proportion of LAP and project finance segment

DHFL has exposure to the lower and middle income group which is more prone to defaults in case of a stressed economic scenario. Further, the share of non-housing loans (comprising LAP, non-residential properties, SME and builder loans) increased to 39% of the outstanding loan book as on March 2018 from 34% as on March 2017 which is a relatively riskier segment.

Industry Prospects

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HFC's are expected to maintain their good profitability on the basis of strong business growth and stable asset quality over the medium term. However, rising competition and the resultant possible dilution in credit underwriting norms, long term funding and asset quality are the key challenges for the sector. However, there are some industry concerns on the LAP book with many players witnessing substantial rise in the delinquency level.

Analytical approach: The rating of instruments of AFSL is based on the assessment of DHFL which has given 'Letter of Comfort' for these instruments. DHFL has been assessed on a standalone basis.

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings
CARE Policy on Default Recognition
Rating Methodology- Housing Finance Companies
Financial ratios - Financial Sector
CARE's criteria on Short Term Instruments

About DHFL

Incorporated in 1984, DHFL is the third-largest housing finance company in India with total asset size of Rs.1,07,436 crore as on March 31, 2018. The company has a successful track record of over 30 years of lending in the low and middle income group in Tier II and Tier III cities, primarily to salaried individuals. DHFL had a loan portfolio of Rs.91,930 crore as on March 31, 2018. The company operates through a network of over 349 offices (incl. branches and service centres). DHFL also has international presence through representative offices located in London and Dubai which cater to the housing needs of non-resident Indians. Dewan Group also has presence in the housing finance business through its group companies, namely, Aadhar Housing Finance Private Limited. Furthermore, DHFL has presence in mutual fund business through DHFL Pramerica Asset Managers Private Limited.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (A)
Total income	10,827	10,465
PAT	2,896	1,172
Interest coverage (times)	1.51	1.23
Total Assets	92,298	107,436
Net NPA (%)	0.58	0.56
ROTA (%)	3.62	1.17

A- Audited

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About AHFL

About the Company

Aadhar Housing Finance Limited (AHFL) is a housing finance company engaged in providing housing finance to the lower income segment of the society. AHFL was set up in May 2010 and commenced operations in February 2011. AHFL and DHFL Vysya Housing Finance are both subsidiaries of Wadhawan Global Capital. With effect from 27th October 2017, AHFL merged into DHFL Vysya and the later was renamed as AHFL. Majority of the shares of AHFL are held by Wadhawan Global Capital Limited-69.98% followed by International Finance Corporation holding 16.91% and DHFL holding 9.15%.

After the merger, AHFL now spans across 18 states with around 270 branches with a loan book of Rs. 7352.7 Crore (as on March 31 2018).The company has a total employee base of 1742 and it sources its business through a network of Direct Selling Teams (DSTs) and Direct Selling Agents (DSAs).

Brief Financials (Rs. Crore)	FY17 (UA)	FY18 (A)
Total operating income	569	798
PAT	64	100
Loans outstanding	4,592	7,353
Interest coverage (times)	1.28	1.34
Total Assets	5,071	7,827
ROTA (%)	1.49	1.55
Net NPA (%)	0.84	0.78

UA: Un-audited; A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com.*

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Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact:

Name: Mr Ravi Kumar
Tel: 022-67543421
Mobile: + 91-9004607603
Email: ravi.kumar@careratings.com

****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016
1.	Fund-based - LT-Term Loan	LT	90.72	CARE AA+ (SO); Stable	-	1) CARE AA+ (SO); Stable (21-Dec-17) 2)CARE AA+ (SO); Stable (14-Jul-17)	1)CARE AA+ (SO) (30-Dec-16) 2)CARE AA+ (SO) (15-Jul-16)	1)CARE AA+ (SO) (24-Sep-15) 2)CARE AA+ (SO) (24-Jul-15)
2.	Commercial Paper	ST	-	-	-	1)Withdrawn (19-Jan-18) 2)CAREA1+ (21-Dec-17) 3)CARE A1+ (14-Jul-17)	1)Provisional CARE A1+ (SO) (08-Jul-16)	1)Provisional CARE A1+ (SO) (24-Jul-15)
3.	Fund-based - LT-Term Loan	LT	94.65	CARE AA+ (SO); Stable	-	1)CARE AA+ (SO); Stable (21-Dec-17) 2)CARE AA+ (SO); Stable	1)CARE AA+ (SO) (30-Dec-16) 2)CARE AA+ (SO)	1)CARE AA+ (SO) (24-Sep-15) 2)CARE AA+ (SO)

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						(14-Jul-17)	(15-Jul-16)	(24-Jul-15)
4.	Fund-based - LT-Term Loan	LT	11.99	CARE AA+ (SO); Stable	-	1)CARE AA+ (SO); Stable (21-Dec-17) 2)CARE AA+ (SO); Stable (14-Jul-17)	1)CARE AA+ (SO) (30-Dec-16) 2)CARE AA+ (SO) (15-Jul-16)	1)CARE AA+ (SO) (24-Sep-15) 2)CARE AA+ (SO) (24-Jul-15)
5.	Fund-based - LT-Term Loan	LT	134.45	CARE AA+ (SO); Stable	-	1) CARE AA+ (SO); Stable (21-Dec-17) 2)CARE AA+ (SO); Stable (14-Jul-17)	1)CARE AA+ (SO) (30-Dec-16) 2)CARE AA+ (SO) (15-Jul-16)	1)CARE AA+ (SO) (24-Sep-15) 2)CARE AA+ (SO) (24-Jul-15)
6.	Fund-based - LT-Term Loan	LT	3.75	CARE AA+ (SO); Stable	-	1) CARE AA+ (SO); Stable (21-Dec-17) 2)CARE AA+ (SO); Stable (14-Jul-17)	1)CARE AA+ (SO) (30-Dec-16) 2)CARE AA+ (SO) (15-Jul-16)	1)CARE AA+ (SO) (24-Sep-15) 2)CARE AA+ (SO) (24-Jul-15)
7.	Fund-based - LT-Term Loan	LT	218.73	CARE AA+ (SO); Stable	-	1) CARE AA+ (SO); Stable (21-Dec-17) 2)CARE AA+	1)CARE AA+ (SO) (30-Dec-16) 2)CARE AA+	1)CARE AA+ (SO) (24-Sep-15) 2)CARE AA+

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						(SO); Stable (14-Jul-17)	(SO) (15-Jul-16)	(SO) (24-Jul-15) 3)CARE AA+ (SO) (In Principle) (15-Apr-15)
8.	Fund-based - LT-Term Loan	LT	25.36	-	-	1)Withdrawn (19-Jan-18) 2) CARE AA-; Stable (21-Dec-17) 3)CARE AA-; Stable (14-Jul-17)	1)CARE AA-; Stable (30-Dec-16) 2)CARE AA- (15-Jul-16)	1)CARE AA- (24-Sep-15) 2)CARE AA- (24-Jul-15) 3)CARE AA- (15-Apr-15)
9.	Fund-based - LT-Term Loan	LT	225.00	CARE AA+ (SO); Stable	-	1) Provisional CARE AA+ (SO); Stable (21-Dec-17) 2)Provisional CARE AA+ (SO); Stable (14-Jul-17)	1)Provisional CARE AA+ (SO) (30-Dec-16) 2)Provisional CARE AA+ (SO) (15-Jul-16) 3)Provisional CARE AA+ (SO) (12-Apr-16)	1)Provisional CARE AA+ (SO) (24-Sep-15) 2)Provisional CARE AA+ (SO) (24-Jul-15)

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10.	Debentures-Non Convertible Debentures	LT	100.00	CARE AA+ (SO); Stable	-	1) CARE AA+ (SO); Stable (21-Dec-17) 2)CARE AA+ (SO); Stable (14-Jul-17)	1)CARE AA+ (SO) (08-Jul-16)	1)CARE AA+ (SO) (09-Mar-16) 2)Provisional CARE AA+ (SO) (21-Jan-16)
11.	Fund-based - LT-Term Loan	LT	157.34	CARE AA+ (SO); Stable	-	1) CARE AA+ (SO); Stable (21-Dec-17) 2)CARE AA+ (SO); Stable (14-Jul-17)	1)CARE AA+ (SO) (30-Dec-16) 2)CARE AA+ (SO) (15-Jul-16) 3)CARE AA+ (SO) (12-Apr-16)	-
12.	Fund-based - LT-Term Loan	LT	336.36	CARE AA+ (SO); Stable	-	1)CARE AA+ (SO); Stable (21-Dec-17) 2)CARE AA+ (SO); Stable (14-Jul-17)	1)CARE AA+ (SO) (07-Mar-17)	-
13.	Debentures-Non Convertible	LT	200.00	CARE AA+	-	1) CARE AA+	-	-

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	Debentures			(SO); Stable		(SO); Stable (21-Dec-17) 2)Provisional CARE AA+ (SO); Stable (14-Jul-17)		
14.	Debentures-Non Convertible Debentures	LT	1400.00	CARE AA+ (SO); Stable	-	1) CARE AA+ (SO); Stable (21-Dec-17)	-	-
15.	Debt-Subordinate Debt	LT	150.00	CARE AA (SO); Stable	-	1)CARE AA+ (SO); Stable (21-Dec-17)	-	-
16.	Fund-based - LT-Term Loan	LT	2701.65	CARE AA+ (SO); Stable	-	1)CARE AA+ (SO); Stable (21-Dec-17)	-	-

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ANNEXURE B

SEBI Registered
RBI Accredited
NSIC Empanelled

BWR/NCD/HO/ERC/MM/0209/2018-19
July 06, 2018

Mr. Deo Shankar Tripathi,
Managing Director & Chief Executive Officer,
Aadhar Housing Finance Limited
(Erstwhile DHFL Vysya Housing Finance Limited)
2nd Floor, No. 3, JVT Towers
8th 'A' Main Road, S R Nagar,
Bengaluru – 560027
Karnataka

Dear Sir,

Sub: Rating of *Aadhar Housing Finance Limited's proposed secured* NCD (public issue) issue of Rs. 3000.00 Crs (INR Three thousand crores only) with a tenor ranging between 3-10 years

Thank you for giving us an opportunity to undertake rating of *proposed secured* NCD (public issue) issue of Rs. 3000.00 Crores of Aadhar Housing Finance Limited. Based on the draft key terms of the NCD shared with us, information and clarifications provided by your company, as well as information available in public sources, Brickwork Ratings is pleased to inform you that **Aadhar Housing Finance Limited's *proposed secured* NCD (Public Issue) issue of Rs. 3000.00 Crs** has been assigned a rating of **BWR AA+ (SO) [Pronounced as BWR Double A Plus (Structured Obligation)] (Outlook: Stable).** Instruments with this rating are considered to have **high degree of safety** regarding timely servicing of financial obligations. Such instruments carry **very low credit risk.**

The Rating is valid for one year from the date of this letter and subject to the terms and conditions that were agreed in your mandate dated 04th July 2018 and other correspondence, if any and Brickwork Ratings standard disclaimer appended below. Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any significant information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance for the above rating within two days of this letter. Unless acceptance is conveyed by the said date, the rating should not be used for any purpose whatsoever.

Best Regards,

Bal Krishna Piparaiya
Chief General Manager -Ratings
Brickwork Ratings India Pvt. Ltd.

BRICKWORK RATINGS INDIA PVT. LTD. MUMBAI OFFICE

Note: Rating Rationale of all accepted Ratings are published on Brickwork Ratings website. All non-accepted ratings are also published on Brickwork Ratings web-site . Interested persons are well advised to refer to our website www.brickworkratings.com, If they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com.

Rating Rationale

Aadhar Housing Finance Limited (erstwhile DHFL Vysya Housing Finance Limited)

July, 2018

- **Brickwork Ratings assigns rating for the proposed secured Non-Convertible Debenture (Public Issue) of Rs. 3000 Cr of Aadhar Housing Finance Limited and also reaffirms ratings for various debt issues up to Rs. 1050 Crores of Aadhar Housing Finance Limited ["AHFL" or "the Company" (erstwhile DHFL Vysya Housing Finance Limited)]**

Brickwork Ratings assigns rating for the proposed secured Non-Convertible Debenture (Public Issue) of Rs. 3000 Cr of Aadhar Housing Finance Limited (erstwhile DHFL Vysya Housing Finance Limited) as detailed below:

Instrument	Previous Amount (Rs. Cr)	Present Amount (Rs Cr)	Previous Rating	Present rating
Proposed Secured NCD (Public Issue)	NA	3000.00	NA	**BWR AA+ (SO) (Outlook: Stable)**
Total	**NA**	**1050.00**	**INR Three thousand only**	

Brickwork Ratings (BWR) also reaffirms the ratings for various debt issues of Aadhar Housing Finance Limited ['AHFL' or 'the Company' (erstwhile DHFL Vysya Housing Finance Limited)] as detailed below:

<table>
<tr><th rowspan="2">Instrument</th><th rowspan="2">Previous Amount (Rs. Cr)</th><th rowspan="2">Present Amount (Rs Cr)</th><th>Outstanding (Rs. Cr)</th><th>Unutilized Amount (Rs. Cr)</th><th rowspan="2">Previous Rating</th><th rowspan="2">Present Rating</th></tr>
<tr><th colspan="2">as of July 05, 2018</th></tr>
<tr><td>Subordinated NCD</td><td>150.00</td><td>150.00</td><td>84.00</td><td>66.00</td><td rowspan="2">BWR AA+ (SO) (Outlook: Stable)</td><td rowspan="2">BWR AA+ (SO) (Outlook: Stable) Reaffirmation</td></tr>
<tr><td>Secured NCD</td><td>900.00</td><td>900.00</td><td>459.90</td><td>440.10</td></tr>
<tr><td>Total</td><td>1050.00</td><td>1050.00</td><td colspan="4">INR One thousand and fifty crores only</td></tr>
</table>

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
*ISIN details are provided in Annexure I

The **Suffix *SO*** is based on the credit enhancement in the form of Letter of Comfort provided by Dewan Housing Finance Corporation Limited (rated as BWR AAA Stable in May 2018) for the said facilities in favour of the investors of Aadhar Housing Finance Limited (erstwhile DHFL Vyasya Housing Finance).

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has principally relied upon the audited financial results of FY16 – FY18, projected financials and publicly available information and information/clarification provided by the company's management
The rating has factored the strong parentage and Group support with group's experience of more than 25 years in the housing finance industry across business cycles, comfortable capitalization and significant growth in loan book post-merger which consolidated the position of WGC group in the mid-market and affordable housing finance sectors coupled with the Government's thrust on providing affordable housing. The rating has also continued to factor strong credit appraisal, loan monitoring & recovery policy.
The rating is, however, constrained by inherent risks associated with affordable housing sector, as also the competitive landscape for HFCs, in general.

Analytical Approach:

Risk profile of AHFL (erstwhile DVHFL) is evaluated on a stand-alone basis. The fact that it is a group company of Dewan Housing Finance Ltd. and benefits from commonality of management is taken note of. The 'SO' suffix indicates the credit enhancement derived from the Letter of Comfort issued by DHFL. Relevant links relating to the rating criteria are provided below.

Rating Outlook: Stable

BWR believes AHFL's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. Asset quality & NIM are the key monitorables. Going forward, scaling up of operations in the competitive business of housing finance industry and any significant deterioration in asset quality or volatility in profitability with impact on capitalization would be the key rating sensitivities.

About the Company

Aadhar Housing Finance Limited (erstwhile DHFL Vysya Housing Finance Ltd.) was incorporated under the name Vysya Bank Housing Finance Limited on November 26, 1990 with Vysya Bank (erstwhile ING Vysya Bank Limited) holding a majority shareholding of 85.91% in the company with the purpose of providing housing finance. On July 2, 2003, Dewan Housing Finance Corporation Limited (DHFL) took over the shareholding of ING Vysya Bank in the company. Subsequently, the company was renamed as DHFL Vysya Housing Finance Limited. Later, in 2014, the controlling interest passed on to Wadhwan Global Capital Limited to meet regulatory requirements. As on November 20, 2017, Aadhar Housing Finance Ltd., another company belonging to the promoters has been merged with DHFL Vysya (surviving entity) with effect from 1st April 2016, and the surviving entity has been renamed as Aadhar Housing Finance Ltd. Currently, DHFL owns 9.15%, Wadhwan Global Capital owns 69.98% stake in the company and 16.91% is owned by International Financial Corporation, Washington.
The Board of Directors consists of six eminent members including the Chairman, Mr. Kapil Wadhawan, who is also the CMD of Dewan Housing Finance Corporation Limited and Mr. Deo Shankar Tripathi, MD & CEO of Aadhar Housing Finance Limited (erstwhile DHFL Vysya Housing Finance Ltd.), having an experience of more than 3 decades at various verticals in a PSU Bank.

Company's Financial Performance

Post-merger, during FY18, the company's outstanding loan portfolio as of 31st March 2018 stood at Rs. 7352.70 Crores. As of March 31, 2018, the Gross NPA of the Company has slightly improved to 1.17% & NNPA to 0.78%.

For FY18, Net Interest Income (NII) stood at Rs. 315.15 Crores with PAT of Rs. 99.73 Cr. The Net Interest Margin (NIM) has remained stable at 4.00% in FY18.

AHFL's Tangible Net Worth has increased to Rs. 699.60 Crores in FY19 majorly due to amalgamation and rest through retention of profit. AHFL's capital adequacy in the form of total CRAR stood at 18.77% as of March 31, 2018. For short to medium term, the company has a comfortable liquidity position and in general HFCs have mismatches in the long term, which they need to manage appropriately. The company stipulates floating rates of interest for its loans, and hence, can pass on the varying cost of its borrowings to its customers.

Key Financial Figures:

Financial Ratios	FY16 (A) (standalone erstwhile DVHFL)	FY17 (A) (standalone erstwhile DVHFL)	FY18 (A) (Amalgamated AHFL)
Loan Portfolio Outstanding (Rs. Cr)	1468	1808	**7352.70**
Gross NPA %	1.15%	1.42%	**1.17%**
Net NPA %	0.0.78%	0.97%	**0.78%**
Net Interest Income (Rs. Cr)	61.60	67.44	**315.15**
PAT (Rs. Cr)	26.72	23.21	**99.73**
Net Interest Margin (NIM)	3.56%	3.30%	**4.00%**
Tangible Net Worth (Rs. Cr)	146.74	153.65	**699.60**
CRAR	23.12%	19.37%	**18.77%**

Rating History for the last three years:

<table>
<tr><th rowspan="2">Sl. No.</th><th rowspan="2">Instrument/ Facility</th><th rowspan="2" colspan="2">Current Rating (Year 2018)</th><th colspan="3">Rating History</th></tr>
<tr><th>2017</th><th>2016</th><th>2015</th></tr>
<tr><td>1</td><td>Proposed secured NCD (Public Issue)</td><td>3000</td><td>BWR AA+ (SO) Outlook: Stable</td><td>NA</td><td>NA</td><td>NA</td></tr>
<tr><td>2</td><td>Secured NCD</td><td>100</td><td>BWR AA+ (SO) Outlook: Stable</td><td>BWR AA+ (SO) Outlook: Stable</td><td>BWR AA+ (SO) Stable</td><td rowspan="4">NA</td></tr>
<tr><td>3</td><td>Secured NCD</td><td>200</td><td>BWR AA+ (SO) Stable</td><td>BWR AA+ (SO) Outlook: Stable</td><td rowspan="3">NA</td></tr>
<tr><td>4</td><td>Secured NCD</td><td>600</td><td>BWR AA+ (SO) Stable</td><td>BWR AA+ (SO) Outlook: Stable</td></tr>
<tr><td>5</td><td>Subordinated NCD</td><td>150</td><td>BWR AA+ (SO) Stable</td><td>BWR AA+ (SO) Outlook: Stable</td></tr>
<tr><td colspan="2">Total</td><td>4050</td><td colspan="4">INR Four thousand and fifty crores only</td></tr>
</table>

Hyperlink/Reference to applicable Criteria

- General Criteria
- Banks & Financial Institutions
- **https://www.brickworkratings.com/download/Criteria-SO_Instruments.pdf**

<table>
<tr><th>Analytical Contacts</th><th>Media</th></tr>
<tr><td rowspan="3">MSR Manjunatha
Head – Ratings Administration
analyst@brickworkratings.com</td><td>media@brickworkratings.com</td></tr>
<tr><td>Relationship Contact</td></tr>
<tr><td>bd@brickworkratings.com</td></tr>
<tr><td colspan="2">Phone: 1-860-425-2742</td></tr>
</table>

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Annexure – I

ISIN details

Sr. No.	Description (Series)	Credit Rating	Date of Allotment	Amount outstanding as on June 30, 2018	Redemption / Maturity Date	ISIN No.s
5	7)					
	A	BWR AA+ (SO)	8/7/2015	8.00	8/7/2022	INE538L07080
	B	BWR AA+ (SO)	8/7/2015	1.00	8/7/2022	INE538L07080
	C	BWR AA+ (SO)	8/7/2015	1.00	8/7/2022	INE538L07080
6	8)					
		BWR AA+ (SO)	9/3/2015	10.00	9/3/2022	INE538L07098
7	9.)					
		BWR AA+ (SO)	9/10/2015	10.00	9/10/2022	INE538L07106
8	11.)					
		BWR AA+ (SO)	11/4/2015	20.00	11/4/2022	INE538L07122
9	12.)					
		BWR AA+ (SO)	11/9/2015	10.00	11/9/2020	INE538L07130
10	13.)					
		BWR AA+ (SO)	12/11/2015	10.00	12/11/2020	INE538L07148

11	14.)					
		BWR AA+ (SO)	12/28/2015	20.00	12/28/2022	INE538L07155
12	15-A.)					
	A	BWR AA+ (SO)	1/6/2016	10.00	1/6/2026	INE538L07163
	B	BWR AA+ (SO)	1/6/2016	10.00	1/6/2026	INE538L07163
	C	BWR AA+ (SO)	1/6/2016	10.00	1/6/2026	INE538L07163
13	16)					
		BWR AA+ (SO)	1/7/2016	20.00	1/7/2023	INE538L07171
14	17)					
		BWR AA+ (SO)	1/19/2016	10.00	1/19/2026	INE538L07189
15	18-A)					
	A	BWR AA+ (SO)	1/19/2016	1.00	1/19/2026	INE538L07197
	B	BWR AA+ (SO)	1/19/2016	1.70	1/19/2026	INE538L07197
16	19-A)					
	A	BWR AA+ (SO)	1/25/2016	10.00	1/25/2026	INE538L07205
	B	BWR AA+ (SO)	1/25/2016	10.00	1/25/2026	INE538L07205
17	20-A)					
	A	BWR AA+ (SO)	1/29/2016	5.00	1/29/2026	INE538L07213
	B	BWR AA+ (SO)	1/29/2016	1.00	1/29/2026	INE538L07213
	C	BWR AA+ (SO)	1/29/2016	5.00	1/29/2026	INE538L07213
	D	BWR AA+ (SO)	1/29/2016	1.00	1/29/2026	INE538L07213
18	21)					
	A	BWR AA+ (SO)	3/1/2016	10.00	3/1/2026	INE538L07221
19	22)					
	A	BWR AA+ (SO)	3/3/2016	10.00	3/3/2021	INE538L07239
20	23)					
	A	BWR AA+	3/21/2016	7.00	3/21/2021	INE538L07247

		(SO)					
	B	BWR AA+ (SO)	3/21/2016	5.00	3/21/2021	INE538L07247	
21	24)						
	A	BWR AA+ (SO)	3/22/2016	20.00	3/22/2026	INE538L07254	
22	25)						
	A	BWR AA+ (SO)	3/29/2016	10.00	3/29/2021	INE538L07262	
23	26)						
	A	BWR AA+ (SO)	3/31/2016	10.00	3/31/2026	INE538L07270	
	B	BWR AA+ (SO)	3/31/2016	2.50	3/31/2026	INE538L07270	
24	27)						
	A	BWR AA+ (SO)	4/28/2016	10.00	4/28/2023	INE538L07296	
	B	BWR AA+ (SO)	4/28/2016	1.30	4/28/2023	INE538L07296	
25	28)						
	A	BWR AA+ (SO)	5/13/2016	5.00	5/13/2023	INE538L07304	
27	33)						
	A	BWR AA+ (SO)	10/18/2016	50.00	10/18/2021	INE538L07353	
28	34)						
	A	BWR AA+ (SO)	11/11/2016	10.00	11/11/2021	INE538L07361	
29	35)						
	A	BWR AA+ (SO)	11/16/2016	5.00	11/16/2026	INE538L07379	
32	38)						
	A	BWR AA+ (SO)	6/13/2017	20.00	6/12/2020	INE538L07403	
39	1	BWR AA+ (SO)	5/5/2016	20.00	5/5/2026	INE883F07025	
40	2	BWR AA+ (SO)	5/5/2016	30.00	5/5/2023	INE883F07017	
41	3	BWR AA+ (SO)	7/5/2016	2.00	7/5/2021	INE883F07033	
42	4	BWR AA+ (SO)	7/8/2016	2.00	7/8/2026	INE883F07041	
43	5	BWR AA+	7/13/2016	1.20	7/13/2026	INE883F07058	

		(SO)				
44	6	BWR AA+ (SO)	7/19/2016	2.00	7/18/2026	INE883F07066
45	7	BWR AA+ (SO)	8/5/2016	1.20	8/5/2026	INE883F07074
46	8	BWR AA+ (SO)	8/17/2016	2.00	8/17/2021	INE883F07082
47	9	BWR AA+ (SO)	8/25/2016	1.00	8/25/2021	INE883F07090
48	10	BWR AA+ (SO)	10/20/2016	2.00	10/20/2021	INE883F07108
49	11	BWR AA+ (SO)	10/25/2016	1.00	10/25/2021	INE883F07116
50	12	BWR AA+ (SO)	10/27/2016	2.00	10/27/2021	INE883F07132
51	13	BWR AA+ (SO)	10/27/2016	4.00	10/27/2023	INE883F07124
52	14	BWR AA+ (SO)	11/21/2016	18.00	11/21/2023	INE883F07140
53	15	BWR AA+ (SO)	11/21/2016	2.00	11/21/2023	INE883F07140
54	16	BWR AA+ (SO)	11/22/2016	9.00	11/22/2023	INE883F07157
			Total	**459.90**		

ANNEXURE C

823/BTL/CL/DEB/2018-19/16
Date: June 8, 2018

Aadhar Housing Finance Limited
201, Raheja Point, 2nd Floor,
Nr. Shamrao Vithal Bank, Nehru Road,
Vakola, Santacruz (East)
Mumbai – 400 055

Kind Attn: - Shri Anmol Gupta (CFO) / Shri Sreekanth VN (CS – Head Compliances)

Dear Sir/ Madam,

Sub: Proposed public offering ("Issue") of listed, secured, redeemable, non-convertible debentures (the "NCDs") by Aadhar Housing Finance Limited aggregating up to Rs. 3000,00,00,000 (Rupees three thousand crores) ("Company")

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus / Shelf Prospectus/ Tranche Prospectus to be filed with the BSE Limited and/or National Stock Exchange of India Limited ("**Stock Exchanges**") and to be forwarded to Securities and Exchange Board of India ("**SEBI**") and the Shelf Prospectus and/or the Tranche Prospectus to be filed with the Registrar of Companies, Maharashtra, Mumbai ("**RoC**"), Stock Exchanges and to be forwarded to SEBI in respect of the Issue and in all related advertisements and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue. The following details with respect to us may be disclosed:

Name:	**Beacon Trusteeship Limited**
Address:	**4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra (East), Mumbai – 400 051**
Tel:	**022-26558759**
Fax:	**022-26558761**
Email:	**vitthal@beacontrustee.co.in**
Website:	**www.beacontrustee.co.in**
Contact Person:	**Mr. Vitthal Nawandhar**
Investor Grievance e-mail:	**contact@beacontrustee.co.in**
SEBI Registration No:	**IND000000569**

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter and hereby enclosing a copy of our registration certificate. We also certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues. We also authorize you to deliver a copy of 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 authority as required by law.

We undertake that we shall immediately intimate the Company and the Lead Managers to the Issue of any changes in the aforestated details until the listing and trading of the NCDs on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of NCD on the Stock Exchanges.

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.

Sincerely,
For Beacon Trusteeship Limited

Nawandhar

Authorized Signatory

Beacon Trusteeship Limited

डिबेंचर न्यासी

प्रपत्र ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनिमय बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000257 (विनियम 8)
(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION

INITIAL 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
3, PRABHAT KUNJ,
PRABHAT COLONY,
SANTACRUZ EAST
Mumbai 400055
Maharashtra India

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 **IND000000569** है।
2) Registration Code for the debenture trustee is

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
3) This Certificate of Registration shall be valid from 11/04/2016 to 10/04/2021, unless suspended or cancelled by the Board

आदेश से
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 : **APRIL 11, 2016**

MJSonparote
MEDHA SONPAROTE
प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

BEACON TRUSTEESHIP LIMITED
Mlanandlar
CERTIFIED TRUE COPY