



FULLERTON INDIA CREDIT COMPANY LIMITED

Fullerton India Credit Company Limited ("Company") was incorporated at Chennai as Dove Finance Limited on August 30, 1994 as a public limited company under the Companies Act, 1956, as amended, with registration no. 16-28452 of 1994 and was granted a certificate of incorporation by the Registrar of Companies, Chennai ("RoC"). Our Company obtained its certificate of commencement of business on September 15, 1994. The name of our Company was changed to First India Credit Corporation Limited with effect from January 6, 2006 and a fresh certificate of incorporation consequent upon change of name was granted by the RoC. The name of our Company was further changed to Fullerton India Credit Company Limited on January 8, 2007 and a fresh certificate of incorporation was granted by the ROC on January 8, 2007. Our Company holds a certificate of registration dated May 27, 2011, bearing registration number A-07-00791, with the Reserve Bank of India to carry on the activities of a non-banking financial company under Section 45-IA of the Reserve Bank of India Act, 1934. For further details, see the chapter titled "History, Main Objects and Key Agreements" on page 125 of this Draft Shelf Prospectus. The Corporate Identification Number of our Company is U65191TN1994PLC079235

Registered Office: Megh Towers, Third Floor, Old No. - 307, New No. - 165, Poonamallee High Road, Maduravoyal, Chennai- 600 095, Tamil Nadu **Tel:** +91 044-42886534

Corporate Office: Supreme Business Park, Floor 5 & 6, B Wing, Supreme IT Park, Supreme City, Powai, Mumbai - 400 076, Maharashtra

Tel: +91 22 6749 1234; **Fax:** +91 22 6710 3309

Compliance Officer: Mr. Arun Mulge; **Tel:** +91 22 6749 1234; **Fax:** +91 22 6710 3309 **E-mail:** secretarial@fullertonindia.com; **Website:** www.fullertonindia.com

PUBLIC ISSUE BY FULLERTON INDIA CREDIT COMPANY LIMITED ("COMPANY" OR THE "ISSUER") OF SECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 (INDIAN RUPEES ONE THOUSAND) EACH ("NCDs" OR "DEBENTURES") FOR AN AMOUNT UPTO ₹ 2,00,000 LAKHS (INDIAN RUPEES TWO HUNDRED THOUSAND LAKHS) ("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 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 AND TO THE EXTENT NOTIFIED.

PROMOTER

Our promoters are Fullerton Financial Holdings Pte Limited and Angelica Investments Pte Limited. For further details see the chapter titled "Our Promoter" on page 145 of this Draft Shelf Prospectus.

GENERAL RISKS

For taking an investment decision, the 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 section titled "Risk Factors" on page 19 of this Draft Shelf Prospectus and the chapter titled "Material Developments" on page 149 of this Draft Shelf Prospectus, in the Shelf Prospectus and 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"), any registrar of companies 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 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 Shelf Prospectus and relevant Tranche Prospectus for a Tranche Issue is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this 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 the details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, see section titled "Issue Related Information" on page 196 of this Draft Shelf Prospectus.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated "CRISIL AAA (Stable)" (pronounced as CRISIL triple A rating with stable outlook) for an amount of ₹ 2,00,000 Lakhs, by CRISIL Limited ("CRISIL") vide their letter dated July 5, 2019 and revaluated vide revaluation letter dated August 20, 2019 and further revaluated vide revaluation letter dated September 16, 2019, and "ICRA [AAA] (Stable)" (pronounced as ICRA triple A rating with stable outlook) for an amount of ₹ 2,00,000 Lakhs, by ICRA Limited ("ICRA") vide their letter dated July 22, 2019 and revaluated vide revaluation letter dated August 30, 2019. The rating of NCDs by CRISIL and ICRA indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rating letter and rationale for these ratings, see Annexure A, and Annexure B of 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.

LISTING

The NCDs offered through this Draft Shelf Prospectus, Shelf Prospectus along with relevant Tranches are proposed to be listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Our Company has received an "in-principle" approval from the BSE vide their letter no. [●] dated [●] and from NSE vide their letter no. [●] dated [●]. For the purpose of the Issue, NSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated September 30, 2019 has been filed with BSE and NSE, pursuant to the provisions of the SEBI Debt Regulations and is open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of this Draft Shelf Prospectus with the BSE and NSE. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer to the issue. Comments may be sent through post, facsimile or e-mail.

LEAD MANAGERS TO THE ISSUE



EDELWEISS FINANCIAL SERVICES LIMITED

Edelweiss House, Off CST Road, Kalina,
Mumbai 400 098, Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610

Email: fullerton.ncd@edelweissfin.com

Investor Grievance Email:

customerservice.mb@edelweissfin.com

Website: www.edelweissfin.com

Contact Person: Mr. Lokesh Singhi

Compliance Officer: Mr. B. Renganathan

SEBI Registration No.: INM0000010650

ICICI SECURITIES LIMITED

ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020, Maharashtra, India
Tel: +91 22 2288 2460

Fax: +91 22 2282 6580

E-mail: fullerton.ncd@icicisecurities.com

Investor Grievance Email:

customercare@icicisecurities.com

Website: www.icicisecurities.com

Contact Person: Rupesh Khant/ Arjun A Mehrotra

Compliance Officer: Ms. Sonali Chandak

SEBI Registration No.: INM000011179

A.K. CAPITAL SERVICES LIMITED

30-38 Free Press House, 3rd Floor,
Free Press Journal Marg, 215,
Nariman Point, Mumbai 400021

Tel: +91 22 6754 6500

Fax: +91 22 6610 0594

Email: fullertonncd2019@akgroup.co.in

Investor Grievance Email: investor.grievance@akgroup.co.in

Website: www.akgroup.co.in

Contact Person: Ms. Aanchal Wagle/Mr. Krish Sanghvi

Compliance Officer: Mr. Tejas Davda

SEBI Registration No.: INM000010411

DEBENTURE TRUSTEE



CATALYST TRUSTEESHIP LIMITED**

GDA House, Plot No. 85,
Bhusari Colony (Right),
Kothrud, Pune - 411038

Tel: +91 20 2528 0081

Fax: +91 20 2528 0275

Email: dt@ctltrustee.com

Investor Grievance Email: grievance@ctltrustee.com

Website: www.catalysttrustee.com

Contact Person: Compliance Officer

SEBI Registration No.: IND000000034

CIN: U74999PN1997PLC110262

REGISTRAR TO THE ISSUE



LINK INTIME INDIA PRIVATE LIMITED

Address: C- 101 1st Floor 247 Park
LBS Marg, Vikhroli (West)
Mumbai 400083, Maharashtra, India

Tel: +91 22 4918 6200

Fax: +91 22 4918 6195

Email: fullertonindia.ncd@linkintime.co.in

Investor Grievance mail: fullertonindia.ncd@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Shanti Gopalkrishnan

SEBI Registration No.: INR000004058

CIN: U67190MH1999PTC118368

ISSUE PROGRAMME*

ISSUE OPENS ON: As specified in the relevant Tranche Prospectus

ISSUE CLOSES ON: As specified in the relevant Tranche Prospectus

*The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("Board") or the Retail Bond Issuance 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 reputed daily national newspaper with wide circulation on or before such earlier or extended date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE and NSE.

**Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) has by its letter dated July 25, 2019 given its consent for its appointment as Debenture Trustee to the Issue pursuant to regulation 4(4) of the Debt Regulations and for its name to be included in this Draft Shelf Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue. For further details refer Annexure C of this Draft Shelf Prospectus

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Chennai, Tamil Nadu, 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 285 of this Draft Shelf Prospectus.

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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 “Fullerton India” are to Fullerton India Credit Company Limited, a non-banking financial company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at Megh Towers, Third Floor, Old No. – 307, New No.- 165, Poonamallee High Road, Maduravoyal, Chennai- 600 095, Tamil Nadu. Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to “we” or “us” or “our” are to our Company.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Shelf Prospectus, and references to any statute or regulations or policies includes any amendments or re-enactments thereto, from time to time.

Company related terms

Term	Description
Angelica Investments Pte Limited	Angelica Investments Pte Ltd, Singapore
Articles/ Articles of Association/AoA	Articles of Association of our Company, as amended.
Board/ Board of Directors	Board of directors of our Company including its duly constituted committee(s) thereof.
Corporate Office	Supreme Business Park, Floor 5 & 6, B Wing, Supreme IT Park, Supreme City, Powai, Mumbai – 400 076
Deferred Expenditure under Ind AS	Prepaid expenses
Deferred Expenditure under IGAAP	Unamortised premium on loan/ debentures, Unamortised loan Origination cost, prepaid expenses.
Director	Director of our Company, unless otherwise specified.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Fullerton Financial Holdings Pte Limited	Fullerton Financial Holdings Pte Limited, Singapore
FIHFCL	Fullerton India Home Finance Company Limited
Independent Director(s)	The independent Director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
Group Companies/ Group companies of our Company	Angelica Investments Pte Ltd, Singapore; Fullerton Financials Holdings Pte Ltd; Fullerton Securities & Wealth Advisors Ltd.*; Fullerton Financial Holdings (International) Pte Ltd; Fullerton India Home Finance Company Limited and Fullerton India Social and Economic Development Private Limited** (erstwhile Fullerton India Foundation for Social and Economic Development). <i>*It is to be noted that Fullerton Securities & Wealth Advisors Ltd is in the process of winding up. ** Fullerton India Social and Economic Development Private Limited is in the process of closure and has applied for striking off its name from the register of companies on July 1, 2019.</i>
KMP	Key Managerial Personnel, as defined under the Companies Act, 2013, section 2(51), as amended as under: “key managerial personnel”, in relation to a company, means - i. the Chief Executive Officer or the managing director or the manager; ii. the company secretary; iii. the whole-time director; iv. the Chief Financial Officer; and v. such other officer not more than one level below the directors who is in whole-time employment designed as key managerial personnel by the Board; and

Term	Description
	<i>vi. such other officer as may be prescribed;”</i>
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company, as amended.
Net Worth	As per Sec 2(57) of the Companies Act, 2013, net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.
OEM	Original Equipment Manufacturer
Reformatted Consolidated Financial Information under IGAAP	<p>The reformatted consolidated financial information of assets and liabilities of our Company and subsidiaries as at March 31, 2017, March 31, 2016 and March 31, 2015 and the reformatted consolidated information of profit and loss and the reformatted consolidated information of cash flows for each of the years ended, March 31, 2017, March 31, 2016 and March 31, 2015 and the summary of significant accounting policies as examined by our Company’s Statutory Auditors, BSR & Co. LLP, Chartered Accountants</p> <p>Our audited consolidated financial statements as at and for the years ended March 31, 2017, March 31, 2016 and March 31, 2015 under IGAAP form the basis for such Reformatted Consolidated Financial Information under IGAAP.</p>
Reformatted Standalone Financial Information under IGAAP	<p>The reformatted standalone statement of assets and liabilities as at March 31, 2017, March 31, 2016 and March 31, 2015 the reformatted standalone of profit and loss and the reformatted standalone of cash flows for each of the years ended March 31, 2017, March 31, 2016 and March 31, 2015 and the summary of significant accounting policies as examined by our Company’s Statutory Auditors, BSR & Co. LLP, Chartered Accountants</p> <p>Our audited standalone financial statements as at and for the years ended March 31, 2017, March 31, 2016 and March 31, 2015 under IGAAP form the basis for such Reformatted Standalone Financial Information under IGAAP.</p>
Reformatted Financial Information under IGAAP	Reformatted Consolidated Financial Information under IGAAP and Reformatted Standalone Financial Information under IGAAP.
Reformatted Consolidated Ind AS Financial Information	<p>Reformatted Consolidated Financial Information of Assets and Liabilities as at March 31, 2019 and March 31, 2018, the Reformatted Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Reformatted Consolidated Statement of Changes in Equity, Reformatted Consolidated Statement of Cash Flows for the year ended March 31, 2019 and March 31, 2018, the Summary of Significant Accounting Policies, and other explanatory information as examined by our Company’s Statutory Auditors, BSR & Co. LLP, Chartered Accountants.</p> <p>The audited consolidated financial information as at and for the year ended March 31, 2019 form the basis for such Reformatted Consolidated Financial Information under Ind AS. Audited consolidated financial statements as at and for the year ended March 31, 2018 have been converted into figures as per Ind AS to align accounting policies as adopted for the preparation of the financial statements for the year ended March 31, 2019.</p>
Reformatted Standalone Financial Information under Ind AS	Reformatted Standalone Statement of Assets and Liabilities as at March 31, 2019 and March 31, 2018, the Reformatted Standalone Statement of

Term	Description
	Profit and Loss (including Other Comprehensive Income), the Reformatted Standalone Statement of Changes in Equity, Reformatted Standalone Statement of Cash Flows for the year ended March 31, 2019 and March 31, 2018, the Summary of Significant Accounting Policies, and other explanatory information as examined by our Company's Statutory Auditors, BSR & Co. LLP, Chartered Accountants. The audited standalone financial information as at and for the year ended March 31, 2019 form the basis for such Reformatted Standalone Financial Information under Ind AS. Audited standalone financial statements as at and for the year ended March 31, 2018 have been converted into figures as per Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the financial statements for the year ended March 31, 2019.
Reformatted Financial Information under Ind AS	Reformatted Standalone Financial Information under Ind AS and Reformatted Consolidated Financial Information under Ind AS.
Reformatted Financial Information	Reformatted Financial Information under Ind AS and Reformatted Financial Information under IGAAP.
Registered Office	Megh Towers, Third Floor, Old No-307, New No-165, Poonamallee High Road, Maduravoyal, Chennai, Tamil Nadu – 600 095
RoC/Registrar of Companies	Registrar of Companies, Chennai, Tamil Nadu
Equity Shareholders/ Shareholders	The holders of the Equity Shares from time to time
Statutory Auditors/Auditors	BSR & Co. LLP, Chartered Accountants.

Issue related terms

Term	Description
Allotment/ Allot/ Allotted	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to the Issue to the successful Allottees.
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(s)/ Investor(s)/ ASBA Applicant	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of this Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus and the Application Form for any Tranche Issue.
Application/ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account which will be considered as the application for Allotment in terms of the Shelf Prospectus and respective Tranche Prospectus(es).
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue.
Application Form/ASBA Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process and which will be considered as the Application for Allotment of NCDs in terms of the Shelf Prospectus and respective Tranche Prospectus.
“ASBA” or “Application Supported by Blocked Amount” or “ASBA Application” or “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 Circular	Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.

Term	Description
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the 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 specified in the relevant Tranche Prospectus for each Tranche Issue.
Basis of Allotment	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Trading Members are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com .
BSE	BSE Limited.
CARE	CARE Ratings Limited
Category I Investor	<ul style="list-style-type: none"> • 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; • Resident Venture Capital Funds/ Alternative Investment Fund registered with SEBI, subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • 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; and • 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	<ul style="list-style-type: none"> • 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.

Term	Description
Category III Investor	High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 Lakhs across all series of NCDs in Issue.
Category IV Investor	Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 Lakhs across all series of NCDs in Issue.
CDP/ Collecting Depository Participant	A depository participant as defined under the Depositories Act, 1996 and registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations.
CIBIL	TransUnion CIBIL Limited
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CRISIL and ICRA
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account.
Consortium/ Members of the Consortium (each individually, a member of the consortium)	The Lead Managers and Consortium Members
Consortium Agreement	As specified in the relevant Tranche Prospectus for each Tranche Issue.
Consortium Members	As specified in the relevant Tranche Prospectus for each Tranche Issue.
CRISIL	CRISIL Limited
Debenture(s) / NCD(s)	Secured, Redeemable, Non-Convertible Debentures of face value ₹ 1,000/- each.
Debenture Holder(s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trustee Agreement	The agreement dated September 5, 2019 entered into between the Debenture Trustee and our Company.
Debenture Trust Deed(s)	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs and the interest due thereon issued pursuant to the Issue.
Debenture Trustee/ Trustee	Debenture Trustee for the Debenture holders, in this Issue being Catalyst Trusteeship Limited.
Debt Application Circular(s)	Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012 and Circular no. CIR/DDHS/P/121/2018 issued by SEBI on August 16, 2018.
Deemed Date of Allotment	The date on which the Board of Directors or Retail Bond Issuance Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board. 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.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
DP / Depository Participant	A depository participant as defined under the Depositories Act.

Term	Description
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the respective websites of the Stock Exchange (www.bseindia.com and www.nseindia.com) as updated from time to time.
Designated Date	The date on which Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and relevant Tranche Prospectus and the Public Issue Account Agreement.
Designated Intermediary(ies)	Collectively, the Lead Managers, the Consortium Members, agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorised to collect Application Forms from the Applicants in the Issue.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchange.
Designated Stock Exchange	National Stock Exchange of India Limited
Direct Online Application	The Application made using the online interface and online payment facility of the Stock Exchange, as applicable. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in dematerialized form.
Draft Shelf Prospectus	This Draft Shelf Prospectus dated September 30, 2019, filed by our Company with BSE and NSE for receiving public comments, in accordance the Regulation 6(2) of the SEBI Debt Regulations and forwarded to SEBI for record purpose.
Edelweiss	Edelweiss Financial Services Limited.
ICRA	ICRA Limited.
India Ratings	India Ratings and Research Private Limited.
Interest Payment Date/Coupon Payment Date	As specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue	Public issue by Fullerton India Credit Company Limited of secured redeemable non-convertible debentures of face value of ₹ 1,000 (Indian Rupees One Thousand) each (“NCDs”) for an amount upto ₹ 2,00,000 Lakhs (Indian Rupees Two Hundred Thousand Lakhs) (“Shelf Limit”). 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 a “Tranche Issue”), which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus (collectively the “Offer Document”).
Issue Agreement	The Issue Agreement dated September 30, 2019 entered between our Company and the Lead Managers.
Issue Closing Date	As specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Opening Date	As specified in the relevant Tranche Prospectus for the relevant Tranche Issue.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms.
Lead Managers/ LMs	Edelweiss Financial Services Limited, A.K. Capital Services Limited and ICICI Securities Limited.
Market Lot	1 (one) NCD.
NSE	National Stock Exchange of India Limited.

Term	Description
Offer Document	This Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus read with any notices, corrigenda, addenda thereto.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue.
Promoters	Fullerton Financial Holdings Pte Limited and Angelica Investments Pte Limited.
Public Issue Account	Account(s) opened with the Banker(s) to the Issue to receive monies from the ASBA Accounts on the Designated Date as specified for respective Tranche Prospectus(es).
Public Issue Account Bank	As specified in the relevant Tranche Prospectus.
Public Issue Account Agreement	As specified in the relevant Tranche Prospectus.
Record Date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or a non Working Day, the succeeding Working Day or a date notified by our Company to the stock exchanges 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	Account opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made and as specified in relevant Tranche Prospectus.
Refund Bank(s)	As specified in the relevant Tranche Prospectus.
Register of Debenture holders	The Register of Debenture holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 and as more particularly detailed in the chapter titled “ <i>Terms of the Issue</i> ” on page 201 of this Draft Shelf Prospectus.
Registrar to the Issue/ Registrar	Link Intime India Private Limited.
Registrar Agreement	Agreement dated September 24, 2019 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.
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 as amended from time to time, and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants.
Series	As specified in the relevant Tranche Prospectus.
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 http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or at such other website as may be prescribed by SEBI from time to time.
Shelf Limit	The aggregate limit of the Issue, being ₹ 2,00,000 Lakhs to be issued under this Draft Shelf Prospectus, Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus that shall be filed by our Company with the SEBI, BSE, NSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations.

Term	Description
Simplified Listing Agreement	The Listing Agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt and equity securities of our Company.
Specified Cities/Specified Locations	Bidding Centres where the Consortium shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Stock Exchange	BSE and NSE.
Subordinated Debt	<p>Subordinated Debt means a fully paid up instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument shall be subjected to discounting as provided hereunder:</p> <p>Remaining maturity of the instruments and rate of discount</p> <p>(a) up to one year 100%</p> <p>(b) more than one year but up to two years 80%</p> <p>(c) more than two years but up to three years 60%</p> <p>(d) more than three years but up to four years 40%</p> <p>(e) more than four years but up to five years 20%</p> <p>to the extent such discounted value does not exceed fifty per cent of Tier I capital.</p>
Syndicate/ Members of the Syndicate	Collectively, the Consortium Members and the Lead Managers to the Issue.
Syndicate ASBA	Applications submitted by an ASBA Applicant through the Syndicate or the Trading Members of the Stock Exchange or the Designated Intermediaries.
Syndicate Bidding Centres	Syndicate Bidding Centers established for acceptance of Application Forms.
Syndicate ASBA Application Locations	ASBA Applications through the Syndicate or the Trading Members of the Stock Exchange or the Designated Intermediaries.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised Intermediaries or 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 non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.

Term	Description
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; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier-I capital.
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus.
Transaction Registration Slip or TRS or Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Trading Members	Intermediaries registered with a Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended from time to time, and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange.
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus.
Tranche Prospectus	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue.
Tripartite Agreements	Tripartite agreement dated June 18, 2019 among our Company, the Registrar and CDSL and tripartite agreement dated December 18, 2018 among our Company, the Registrar and NSDL.
Willful Defaulter	A Person or a company categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI and includes a company whose director or promoter is categorized as such.
Working Day(s)	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 Saturdays and / or Sundays and/or a holiday of commercial banks in Mumbai or a public holiday in India, however, with reference to payment of interest/redemption of NCDs, Working Days shall mean those days wherein the money market is functioning in Mumbai

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
₹ or Rupees or Indian Rupees or INR or Rs.	The lawful currency of India
ACH	Automated Clearing House
AGM	Annual General Meeting
ALCO	Assets Liability Management Committee

Term/Abbreviation	Description/ Full Form
AML	Anti Money Laundering
AS	Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014 read with General Circular 15/2013 dated September 13, 2013 and/or General Circular 8/2014 dated April 4, 2014, as applicable, as amended.
ASBA	Application Supported by Blocked Amount
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016
Billion	100,00,00,000
CDSL	Central Depository Services (India) Limited
CEIC	Census Economic Information Centre
Code of Criminal Procedure	Code of Criminal Procedure, 1973
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act 2013	Companies Act, 2013, as amended and, to the extent in force pursuant to the notification of sections by the Ministry of Corporate Affairs, Government of India as of the date of this Draft Shelf Prospectus, along with the relevant rules made thereunder
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have an effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR / CAR	Capital to Risk-Weighted Assets Ratio/ Capital Adequacy Ratio
Crore	1,00,00,000
CSR	Corporate Social Responsibility
Depositories Act	Depositories Act, 1996, as amended read with regulations framed thereunder
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DP ID	Depository Participant's Identity Number
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
DSA	Direct Sales Agent
ECS	Electronic Clearing Scheme
ESOP	Employee Stock Option Scheme
Expected Credit Loss/ ExCL/ ECL	ExCL is a probability-weighted estimate of credit losses. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate.
FDI	Foreign Direct Investment
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended
Financial Year / FY/ Fiscal/Fiscal Year	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
Gross NPAs/GNPAs	Aggregate of Portfolio loans from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances). Gross NPA is also referred to as GNPAs
GST	Goods and Services Tax
HNI	High Networth Individual

Term/Abbreviation	Description/ Full Form
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Income Tax Act	Income Tax Act, 1961
Ind AS	Indian accounting standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of the Act.
India	Republic of India
Indian GAAP/IGAAP	Accounting Standards as per the Companies (Accounting standards) 2014 Rules as amended, 2006 notified under Section 133 of the Act and other relevant provisions of the Act.
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
KYC	Know Your Customer
KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LTV	Loan to value
MCA	Ministry of Corporate Affairs, GoI
Million	10,00,000
MoF	Ministry of Finance, GoI
N.I. Act	Negotiable Instruments Act, 1881, as amended
NACH	National Automated Clearing House
NBFC	Non Banking Financial Company, as defined under applicable RBI guidelines
NBFC-D	Deposit taking NBFC, regulated by the RBI guidelines
NEFT	National Electronic Fund Transfer
Net Advances	Total portfolio loan less provision for Non Performing Asset
Net NPA	(GNPA less provision on NPA portfolio)/ (total portfolio loan less provision for Non Performing Asset)
NRI or Non-Resident Indian	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934 as amended
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
Stage 1 Assets	Stage 1 Assets includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date as defined under Ind AS
Stage 1 Provision	Stage 1 provision are 12-month ExCL resulting from default events that are possible within 12 months after the reporting date as defined under Ind AS
Stage 2 Assets	Stage 2 Assets includes financial instruments that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment as defined under Ind AS

Term/Abbreviation	Description/ Full Form
Stage 2 Provision	Stage 2 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS
Stage 3 Assets	Stage 3 Assets includes financial assets that have objective evidence of impairment at the reporting date as defined under Ind AS.
Stage 3 Provision	Stage 3 provision are life time ExCL resulting from all default events that are possible over the expected life of the financial instrument as defined under Ind AS

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
AMC	Asset Management Company
AUM	Asset Under Management (<i>total loans and advances including assignment</i>)
ECBs	External Commercial Borrowing.
FCNR	Foreign Currency Non-Resident.
IFC	Infrastructure Finance Company.
IRDA	Insurance Regulatory and Development Authority.
ISO	International Organization for Standardization.
LIC	Life Insurance Corporation of India
LTV	Loan to value ratio
MICR	Magnetic Ink Character Recognition.
MoU	Memorandum of Understanding.
NPAs	Non-Performing Assets.
RBI	Reserve Bank of India.
UTI	Unit Trust of India.
WCDL	Working Capital Demand Loan.
XIRR	Internal rate of return for irregular cash flows.
Yield	Ratio of interest income to the daily average of interest earning assets.

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled “*Capital Structure*”, “*Regulations and Policies*”, “*History, Main Objects and Key Agreements*”, “*Statement of Tax Benefits*”, “*Our Management*”, “*Financial Indebtedness*”, “*Outstanding Litigation and Defaults*” and “*Issue Procedure*” on pages 55, 175, 125, 64, 131, 153, 170 and 213, of this Draft Shelf Prospectus, respectively will have the meanings ascribed to them in such sections.

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

Certain Conventions

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

Presentation of Financial Information

The current financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular “financial year”, “fiscal year” and “fiscal” or “FY”, unless stated otherwise, are to the 12 months period ended on March 31 of that year.

Unless stated or context requires otherwise, the financial data used in this Draft Shelf Prospectus is derived from our Company’s Reformatted Financial Information under Ind AS as at and for the years ended March 31, 2019, March 31, 2018 were prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rule, 2015, as amended by the Companies (Indian Accounting Standards) Rule 2016, notified under section 133 of the Companies Act, 2013, other relevant provisions of the Act, guidelines issued by the RBI as applicable to NBFCs and other accounting principles generally accepted in India.

Our Company’s Reformatted Financial Information under IGAAP as at March 31, 2017, March 31, 2016 and March 31, 2015 prepared in accordance with guidance note on reports in company prospectuses*(revised 2019) and derived from audited Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards, Companies Act and other applicable statutory and / or regulatory requirements. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding off. With effect from April 1, 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies dated January 18, 2016, for financial reporting purposes, our Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (“**Ind AS**”).

The audited standalone and consolidated financial statements of our Company, as at and for the years ended March 31, 2019 and March 31, 2018 form the basis for the Reformatted Standalone Financial Information under Ind AS and Reformatted Consolidated Financial Information under Ind AS, respectively. Unless stated otherwise, the financial data used in this Draft Shelf Prospectus as at and for the year ended March 31, 2019 and March 31, 2018 is prepared in accordance with Ind AS, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act, 2013 and other applicable statutory and / or regulatory requirements.

The audited standalone and consolidated financial statements of our Company, as at and for the years ended March 31, 2017, March 31, 2016 and March 31, 2015 form the basis for the Reformatted Standalone Financial Information under IGAAP and Reformatted Consolidated Financial Information under IGAAP, respectively. Unless stated otherwise, the financial data used in this Draft Shelf Prospectus as at and for the year ended March 31, 2017, March 31, 2016 and March 31, 2015 is prepared in accordance with IGAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India, Companies Act, 2013 and other applicable statutory and / or regulatory requirements.

Further, the financial data and numbers used in this Draft Shelf Prospectus are under Ind AS and IGAAP, as specifically mentioned in this Draft Shelf Prospectus and is not strictly comparable.

The Reformatted Financial Information under IGAAP and the Reformatted Financial Information under Ind AS as issued by our Company’s Statutory Auditor, BSR & Co. LLP, Chartered Accountants, are included in this Draft Shelf Prospectus in the chapter titled “**Financial Information**” beginning at page 148 of this Draft Shelf Prospectus.

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

The extent to which the market and industry data used in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. The methodologies and assumptions may vary widely among different industry sources. 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 industry sources. We have relied on the CRISIL Industry Report for industry related data that has been disclosed in this Draft Shelf Prospectus. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "**Internal Risk Factor no. 57 – We have not independently verified certain data in this Draft Shelf Prospectus**" on page 41 of this Draft Shelf Prospectus.

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

Except where stated otherwise in this Draft Shelf Prospectus, all figures have been expressed in 'Lakhs'. All references to 'Lakhs/Lakhs/Lacs/Lac' refer to one lakh, which is equivalent to 'one hundred thousand'.

Unless otherwise stated all figures pertaining to the financial information in connection with our Company are on an unconsolidated basis.

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

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 Lakhs.

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

There are significant differences between Indian GAAP and Ind AS and hence both are incomparable. We urge you to consult your own advisors regarding such differences and their impact on our financial data. For further information, see the chapter titled "**Summary of significant differences between Indian GAAP and Ind AS**" on page 150 of this Draft Shelf Prospectus.

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, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft 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.

Exchange Rates

The exchange rates (in ₹) of the USD for the respective dates are provided below:

Currency	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
USD	69.17	65.04	64.84	66.33	62.59

Source: www.rbi.org.in and www.fbil.org.in.

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

Further, in case of specific provision in the loan agreement for a rate other than the RBI rate, the rate has been taken as prescribed as in the respective loan agreement.

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 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 statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute “forward-looking statements” and are not forecasts or projections relating to our Company’s financial performance. 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 ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- demand for our products and services;
- performance of the vehicles industry;
- OEM and employee relationships;
- 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 section titled “**Risk Factors**” on page 19 of this Draft Shelf Prospectus.

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**”, “**Risk Factors**” and “**Outstanding Litigations and Defaults**” on pages 93, 19 and 170 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 our Company, its Directors and its officers, nor any of their respective affiliates or associates, Lead Managers nor any of its Directors and its officers 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 Draft Shelf Prospectus with the ROC and the date of the Allotment.

SECTION II-RISK FACTORS

RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below, in addition to other information contained in this Draft Shelf Prospectus including “Our Business” and “Financial Information” on pages 93 and 148 of this Draft Shelf Prospectus, respectively, before making any investment decision relating to the NCDs. If any of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition, cash flows and result of operation could suffer, the trading price of the NCDs could decline and you may lose all or part of your interest and/or redemption amounts. 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 non-material may also have an adverse effect on our business, results of operations and financial condition and cashflow. Further, the risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of, the NCDs.

Unless the context otherwise requires stated in the relevant risk factors set forth, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. The ordering of the risk factors is intended to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another. This Draft Shelf Prospectus contains forward looking statements that involve risk and uncertainties. Our Company’s actual results could differ materially from those anticipated in these forward looking statements as a result of several factors, including the considerations described below and elsewhere in this Draft Shelf Prospectus.

Unless otherwise indicated and unless the context otherwise requires, the financial information included herein is based on the Reformatted Financial Information as included in this Draft Shelf Prospectus. The financial information for the year ended 2017, 2016 and 2015 has been derived from the Reformatted Financial Information under IGAAP and the financial information for the year 2019 and 2018 as been derived from the Reformatted Financial Information under Ind AS.

Unless stated otherwise and unless the context requires otherwise, the financial data used in this section is on a standalone basis. In this section, reference to “we”, “us” or “our” refers to our Company, on a standalone basis, unless otherwise indicated.

RISKS IN RELATION TO OUR BUSINESS

- 1. We are affected by volatility in interest rates for both our lending and treasury operations, which could cause our net interest income to decline and adversely affect our return on assets and profitability.***

Our results of operations are dependent upon the level of our net interest margins. Net interest income is the difference between our interest income and interest expense. Our net interest income as a percentage of total income for the Fiscals 2019 and 2018 was 61%, and 59%, respectively. Our net interest income as a percentage of total income for the Fiscals 2017, 2016 and 2015 was 50%, 48% and 50%, respectively.

Our income from financing activities may be affected by volatility in interest rates in our lending and borrowing operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Changes in market interest rates affect the interest rates we charge on our interest-earning assets differently from the interest rates we pay on our interest-bearing liabilities.

An increase in interest rates could adversely affect our net interest income if we are not able to increase the rates charged on our loans and advances or if the volume of our interest-bearing liabilities is larger or growing faster than the volume of our interest earning assets. Our policy is to attempt to balance the proportion of our interest-earning assets, which bear fixed interest rates, with interest-bearing liabilities. A portion of our liabilities, such as our NCDs, subordinated debt, short-term loans and commercial paper

carry fixed rates of interest and the remaining are linked to the benchmark prime lending rate/base rates of lenders. If we are unable to access funds at an effective cost that is comparable to or lower than that of our competitors, our net interest margins, income and market share may be adversely affected. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than our competitors that borrow only at fixed interest rates. Many of our loans are generally provided on a long-term, fixed interest rate basis without enabling provisions that allow us to increase interest rates if market interest rates increase. Any increase in interest rates on our borrowings over the duration of such loans may result in reduced net interest income and net interest margins.

Further, in a declining interest rate environment, if our cost of funds does not decline correspondingly to the yield on our interest earning assets, it could lead to a reduction in our net interest income (representing our revenue from operations as reduced by our finance costs) and net interest margin. The quantum of the changes in interest rates for our assets and liabilities may also be different, leading to a decrease in the interest margin.

Fluctuations in interest rates may also adversely affect our treasury operations. Presently we enter into interest rate hedging instruments to hedge against interest rate volatility. In a rising interest rate environment, especially if the rise is sudden or sharp, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities. In addition, the value of any interest rate hedging instruments we may enter into in the future would be affected by changes in interest rates, which could adversely affect our ability to hedge against interest rate volatility. We cannot assure you that we will continue to enter into such interest rate hedging instruments or that we will be able to adequately hedge against interest rate volatility in the future.

We cannot assure you that we will be able to adequately manage our interest rate risk in the future or be able to effectively balance the proportion of our fixed rate loan assets and liabilities. Our inability to effectively and efficiently manage interest rate variations and our failure to pass on increased interest rates on our borrowings may cause our net income from financing activities to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and result of operations.

2. *Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our reputation, interest margins, business, results of operations, cashflows and financial condition*

The cost and availability of capital to us depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. For example, our credit ratings may depend on the asset quality, financial performance business prospects and various other factors of our Company and its subsidiaries. For further details of our credit ratings, see “*Our Business – Credit Ratings*” on page 113 of this Draft Shelf Prospectus.

Ratings reflect a rating agency’s opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. The rating agencies reserve the right to suspend, withdraw or revise ratings at any time based on new information or other circumstances. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our reputation and access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future. Any such adverse development could adversely affect our business, financial condition, cash flows and results of operations.

3. *We may not be able to maintain our current levels of profitability due to increased costs or reduced spreads between the interest rates at which we borrow and lend.*

Our business strategy involves a high level of ongoing interaction with our customers. We believe that this involvement is an important part of developing our relationship with our customers, identifying new cross-selling opportunities and monitoring their performance. However, this level of involvement also entails higher levels of operating costs and also requires a relatively higher gross spread, or margin, on the finance products we offer in order to maintain profitability. There can be no assurance that we will be able to

maintain our current levels of profitability if the gross spreads on our finance products were to reduce substantially, which could adversely affect our results of operations.

4. *Certain loans and debt raised by us entail interest at variable rates and any increases in interest rates may adversely affect our results of operations.*

There are certain loans and debt, including non-convertible debentures raised by us, aggregating to ₹ 7,26,883 Lakhs of March 31, 2019, interest rates for which are either fully floating or partially floating in nature, expressed as a Marginal Cost of funds-based Lending Rate (MCLR) or any other benchmark and interest spread, which is variable. Further, financing agreements in relation to such debt include provisions providing for interest rates to be periodically reset or changed based on the lender's internal policies. We are susceptible to fluctuations in interest rates and associated risks for such debt. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

5. *Our business requires substantial capital and debt, and any disruption in funding sources would have a material adverse effect on our liquidity, cash flows 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 and funding. Our funding requirements have been historically met from a combination of term loans from banks and financial institutions, masala bond, non-convertible debentures, subordinated debt and commercial paper, equity, and capital infusion by the promoters. Our business thus depends and will continue to depend on our ability to access a variety of funding sources. Further, our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost funding at rates lower than the interest rates at which we lend to our customers. Our ability to raise funds at competitive rates depends on various factors including our current and future results of operations and financial condition, our risk management policies, the shareholding of our Promoter in our Company, our asset quality, our capital position, our liquidity planning and execution thereof, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy. If we are unable to access funds at an effective cost that is comparable to or lower than that of our competitors, our net interest margins, income and market share may be adversely affected.

Our continued growth will depend on, among other things, our ability to secure financing at competitive rates, manage our expansion process, make timely capital investments, control input costs and maintain sufficient operational controls. Our ability to borrow funds and refinance existing debt on acceptable terms and at competitive rates may also be affected by a variety of factors, including liquidity in the credit markets, the strength of the lenders from which our Company borrows, the amount of eligible collateral and accounting changes that may impact calculations of covenants in our Company's financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions that constricts the availability of credit may increase our Company's cost of funds and make it difficult for our Company to access financing in a cost-effective manner. A disruption in sources of funds or increase in cost of funds as a result of any of these factors may have a material adverse effect on our Company's liquidity and financial condition.

For instance, our Company's current maturities within 12 months of debt securities and borrowings, as at March 31, 2019, aggregated to ₹ 5,84,824 Lakhs. In order to make these payments, our Company will either need to refinance this debt, which may prove to be difficult in the event of a volatility in the credit markets, or alternatively, raise equity capital or generate sufficient revenue to retire the debt. There can be no assurance that our Company's business will generate sufficient cash to enable it to service its existing debt or to fund its other liquidity needs.

6. *Our significant indebtedness and the conditions and restrictions imposed by our financing arrangements could restrict our ability to conduct our business and operations in the manner we desire.*

As of March 31, 2019 on a standalone basis, we had outstanding secured borrowings of ₹ 16,10,785 Lakhs and outstanding unsecured borrowings of ₹ 3,26,615 Lakhs. We expect to continue to incur additional indebtedness in the future. Most of our borrowings are secured by our immovable and other assets as

detailed in the Financial Indebtedness chapter. Our significant indebtedness could have several important consequences, including but not limited to the following:

- a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates;
- fluctuations in market interest rates may affect the cost of our borrowings as some of our indebtedness are at variable interest rates; and
- we may be vulnerable to economic downturns, which may limit our ability to withstand competitive pressures and may reduce the flexibility in responding to changing business, regulatory and economic conditions.

Further, some of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. Specifically, under some of our financing agreements, we require, and may be unable to obtain, consents from the relevant lenders for, among others, entering into any scheme of merger or reconstitution, spinning-off of a business division, selling or transferring all or a substantial portion of our assets, making any change in ownership or control or constitution of our Company, making amendments in our Memorandum and Articles of Association, creating any further security interest on the assets upon which the existing lenders have a prior charge, and raising funds by way of any fresh capital issue.

We have also availed various working capital demand and unsecured loans that are repayable upon demand or on receiving notice from the respective lenders. If these lenders require us to repay such loans on demand, we may have to use our cash on hand and investments or raise funds to refinance the loans, which could adversely affect our business, results of operations or financial condition.

Some of our financing agreements also typically contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios, debt-to-net worth ratios, or Tier I to Tier II capital ratios that may be higher than statutory or regulatory requirements. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. Furthermore, non-compliance with any of these covenants, and of any of the other terms and conditions of our financing arrangements can trigger events of default under these arrangements, which may compel our lenders to, inter alia, cancel credit facilities extended by them, recall disbursements thereon, demand immediate repayment of the amounts outstanding under these facilities, levy penal interest, take possession of charged assets, downgrade their internal credit rating of our Company and report our Company to the RBI and credit bureaus as a credit defaulter. Furthermore, any such breach may also trigger cross default clauses contained in some of our financing arrangements, which may result in an event of default in our loan arrangements with other lenders.

Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit rating and financial condition and results of operations.

7. *A decline in our capital to risk assets ratio could restrict our future business growth.*

Our Company is required to maintain a capital adequacy ratio of at least 15.0% of our risk-weighted assets of our balance sheet and of risk adjusted value of off-balance sheet items, as Tier I capital as Tier II capital. Our Company's capital adequacy ratio for the Financial Year ended March 31, 2019 and March 31, 2018 is 19.64% and 18.82%, respectively with Tier I capital comprising 14.16 % and 14.03% of CAR.

Further, Fullerton India Home Finance Company Limited (our Subsidiary) is required to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital of not lower than 12% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items, as applicable. FIHFCL's capital adequacy ratio for the Fiscal ended March 31, 2019 is 21.63%, with Tier I capital comprising 21.10% of CAR.

If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, which could result in non-compliance with applicable capital adequacy ratios and may adversely affect the growth of our business.

8. *We face asset-liability mismatches which could affect our liquidity and consequently may adversely affect our operations and profitability.*

We may face potential liquidity risks because our assets and liabilities mature over different periods. As is typical for NBFCs, we meet a portion of our funding requirements through short-term funding sources, such as by issuing commercial paper, short-term loans from banks. However, each of our products may differ in terms of the average tenor, average yield, average interest rates and average size of loan. The average tenor of our products may not match with the average tenor of our liabilities. Consequently, our inability to obtain additional credit facilities or renew our existing credit facilities in a timely and cost-effective manner or at all may lead to mismatches between our assets and liabilities, which in turn may adversely affect our operations and profitability. For further information, see "***Our Business – Risk Management – Liquidity Risk Management***" on page 117 of this Draft Shelf Prospectus.

9. *We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business.*

We operate in a highly competitive industry. Given the diversity of our businesses, and the products and services offered by us, we face competition from the full spectrum of public sector banks, private sector banks, foreign banks, financial institutions, captive finance affiliates of players in various industries, small finance banks and other NBFCs who are active in the lending business. Some of our competitors have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. Some of them may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide. Competition in our industry depends on, among other things, the ongoing evolution of government and regulatory policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India.

Potentially, other banks and NBFCs could compete with us for business as well as procurement of funds at competitive rates. We cannot assure you that we will be able to react effectively to market developments or compete effectively with new and existing players in our increasingly competitive industry and our inability to compete effectively may adversely affect our business.

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

Our logos, brand names and other intellectual property rights are crucial to our business operations. Although we have incurred and expect to continue to incur substantial expenditure in promoting our logos and brand names, we do not have the intellectual property rights to some of the logos and brand names. Our Company has not made an application for and consequently does not own trademark registrations for certain logos used in our business including our corporate logo and our brand logo



We may not be able to prohibit the use of such intellectual property by any third party and may, in the future, face claims and legal actions by third parties that may use, or dispute our right to use, the logos and brand names under which our business currently operates and we may be required to resort to legal action to protect our logos and brand names. Any adverse outcome in such legal proceedings may impact our ability to use our logos, brand names and other intellectual property in the

manner in which such intellectual property is currently used or at all. Further, such adverse outcome may require us to incur significant additional expenditure to develop new logos or brand names. There can be no assurance that we will be able to promote and popularize such new logos or brand names to levels which are similar to our current brands or at all. Any of the above could have a material adverse effect on our business and our financial condition.

11. *Our inability to compete effectively in an increasingly competitive industry may adversely affect our net interest margins, income and market share*

Our competitors include established Indian and foreign commercial banks, NBFCs, HFCs, small finance banks, microfinance companies and private unorganized and informal financiers who primarily operate in local markets. Many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalizing related operational costs. In certain areas, they may also have better brand recognition and larger customer bases than us. Some of our competitors may also be aggressive in underwriting credit risk and pricing their products, with wider networks and greater resources than our Company.

As a result of increased competition in our business, the terms of various loans are becoming increasingly standardized. We cannot assure you that we will be able to react effectively to standardisation credit terms or other market developments or compete effectively with new and existing competitors. Increasing competition may have an adverse effect on our profitability, market share and results of operations. There can be no assurance that we will be able to successfully offer competitive interest rates on our loan products in the future. Increasing competition may also result in slower growth and a reduction in our net interest margin, and consequently may have an adverse effect on our results of operations and financial condition.

12. *The two-wheeler financing and commercial vehicle financing business, we typically rely on third-party OEMs and dealers to offer our products to their potential customers. If they prefer to promote our competitors' products it could affect our growth and adversely affect our results of operations.*

We rely on our non-exclusive relationships with OEMs and dealers to offer our two-wheeler financing and commercial vehicle financing products to potential customers. If these parties were to enter into exclusive arrangements with our competitors, or if they were to prefer our competitors' products, it could adversely affect our growth and results of operations.

13. *If we are unable to manage the level of GNPA in our loan assets, our financial position and results of operations may suffer.*

As of March 31, 2019 and March 31, 2018, our Gross NPAs as per Ind AS were ₹ 42,679 Lakhs and ₹ 37,869 Lakhs respectively. As on March 31, 2017, March 31, 2016 and March 31, 2015 our Gross NPAs, as per IGAAP were ₹ 37,715 Lakhs, ₹ 21,492 Lakhs and ₹ 16,685 Lakhs respectively. We cannot be sure that we will be able to improve our collections and recoveries in relation to our NPAs, or otherwise adequately control our level of NPAs in the future. As on March 31, 2019 our GNPA is 2.01% of our total exposure to credit risk as per credit quality and our Net NPA is 1.00% of Net Advances.

As our loan portfolio matures, we may experience higher defaults in principal and/or interest repayments. The expansion of our business may also cause our NPAs to increase and the overall quality of our loan portfolio to deteriorate. If our NPAs increase, we will be required to increase our provisions, which would result in our net profit being less than it otherwise would be and could materially and adversely affect our financial condition and results of operations. A number of factors outside of our control affect our ability to limit and reduce NPAs. These factors include developments in the Indian and global economy, domestic or global turmoil, competition, changes in customer behaviour and demographic patterns, natural calamities, civil unrest, various central and state government decisions, changes in interest rates and exchange rates and changes in regulations, including with respect to regulations requiring us to lend to certain sectors identified by the RBI, or the Government of India These factors, coupled with other factors such as decline in business and consumer confidence, could impact our customers and in turn impact their ability to fulfil their obligations under the loans we extended to them. Therefore, we cannot be sure that we will be able to improve our collections and recoveries in relation to our NPAs or otherwise adequately control our level of NPAs in the future.

We adhere to provisioning requirements related to our loan assets pursuant to applicable RBI and NHB regulations, or more conservative as are relevant to us and our Subsidiary. For details relating to our NPAs, provisions for NPAs and RBI and NHB provisioning norms, see “*Our Business – Asset Quality*” on page 113 of this Draft Shelf Prospectus. If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.

As of March 31, 2019 and March 31, 2018, our provision coverage was on Gross NPA 51% and 42% as per Ind AS. As of March 31, 2017, March 31, 2016 and March 31, 2015, our NPA provisioning coverage ratios were 32%, 34% and 28% respectively, on a standalone basis. In the event the overall credit quality of our loans deteriorates, the current level of our provisioning may be inadequate to cover the increase in our NPAs. There can be no assurance that there will be no deterioration in the 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 NPA recovery experience. An inability to do the same will impact our loan assets, our financial position and results of operations may suffer.

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

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

- 15. *High levels of customer defaults could adversely affect our business, financial condition and results of operations.***

We are subject to customer default risks including default or delay in repayment of principal or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

In addition, our customer portfolio principally consists of individuals from the lower and middle income groups and small enterprise borrowers. These borrowers typically lack the financial resilience of larger corporate borrowers and may be more adversely affected by declining economic conditions. Our customer base also comprises under-banked borrowers, with limited access to credit and limited credit history. We may not receive updated information regarding any change in the financial condition of our customers, or we may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. It is therefore difficult to carry out precise credit risk analyses on our clients, and as a result our credit risk exposure is higher compared to lenders operating in more developed economies. While we follow certain procedures to evaluate the credit profile of our customers at the time of sanctioning a loan, we generally rely on past repayment track of customers, financial position, business turnover, credit scores assigned by various credit bureaus, collateral offered and reference checks. We cannot be certain that our risk management controls will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor loan contracts, particularly for individual borrowers, could adversely affect our credit portfolio, which could have a material and adverse effect on our results of operations and financial condition. Moreover, difficulties in assessing the risk profile of our customers may result in higher rates of defaults and the level of NPAs in our portfolio, thereby affecting our business, cash flows and financial condition and operations.

16. We may not be able to accurately appraise or recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans, which could adversely affect our business, cashflow and results of operations.

Our secured AUM are typically secured by a mix of both movable and immovable assets or other forms of collateral, depending on the nature of the product. The value of certain types of assets may decline due to inherent operational risks, the nature of the asset secured in our favour and adverse market and economic conditions.

Our housing loans and loans against property are secured primarily by equitable or registered mortgages over property. Accordingly, a substantial portion of our loan portfolio is exposed to fluctuations in real estate prices and any negative events affecting the real estate sector. The value of real estate properties secured under our loans is largely dependent on prevalent real estate market conditions, as well the quality of the construction and the quality of the relevant developer. The value of the collateral on the loans disbursed by us may decline due to adverse market conditions including an economic downturn or a downward movement in real estate prices. Any developments or events that adversely affect the real estate sector, including without limitation, changes in government policies, introduction of any stringent norms regarding construction, floor space index or other compliances, may also result in diminishing the value of our collaterals. If any of the projects which form part of our collateral are delayed for any reason, it may affect our ability to enforce our security, thereby effectively diminishing the value of such security. Further, certain ownership documents of the immovable properties that are mortgaged to us may not be duly registered or adequately stamped. Failure to adequately stamp and register a document renders the document inadmissible in evidence. Consequently, should any default arise in relation to the corresponding loans, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such mortgaged properties.

For instance, in the commercial vehicle loans and two-wheeler financing segments, the vehicles purchased by our customers are hypothecated in our favor as security for the loans provided by us. The value of the equipment or vehicles, however, is subject to depreciation or a reduction in value on account of a number of external factors (such as wear and tear), over the course of time. Consequently, the realizable value of the collateral for the loan provided by us, when liquidated, may be lower than the outstanding loan from such customers. Any default in repayment of the outstanding credit obligations by our customers may expose us to losses. Further, in the case of a default, we typically repossess the asset financed and sell such vehicles through auctions. The hypothecated vehicles, being movable property, may be difficult to locate or seize in the event of any default by our customers.

For personal loans and unsecured loans to small enterprises, we typically require to the borrower to provide a co-borrower and / or furnish a guarantee. Any failure to enforce such guarantees in a timely manner, or at all, could adversely affect our operations and profitability.

We may also be adversely affected by the failure of our employees to comply with internal procedures and inaccurate appraisal of credit or financial worth of our customers. In the event we are unable to check the risks arising from improper appraisal of creditworthiness, our business and results of operations may be adversely affected.

Any default in repayment of the outstanding credit obligations by our customers, or failure or delay to recover the expected value from sale of collateral security may expose us to potential losses, which could adversely affect our financial condition and results of operations. Furthermore, enforcing our legal rights by litigating against defaulting customers is typically a slow and expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

17. A large number of our Company's branches/ business outlets are located in south India, and any downturn in the economy or any change in consumer preferences in that region could adversely affect our results of operations, cashflows and financial condition.

As on June 30, 2019, out of 630 of our Company's business branches/ outlets, 188 business outlets are located in the southern states of Tamil Nadu, Kerala, Andhra Pradesh, Telangana and Karnataka. Further, 39.7% of our Company's AUM (on a standalone basis) as on March 31, 2019, respectively, originated in the aforementioned five south Indian states.

In the event of a regional slowdown in the economic activity in these states, change in customer preferences or any other developments including political unrest, disruption or sustained economic downturn that make our products in these states less beneficial, we may experience an adverse impact on our financial condition and results of operations, which are largely dependent on the performance and other prevailing conditions affecting the economies of these states. The market for our products in these states may perform differently from, and be subject to, market and regulatory developments that are different from the requirements in other states of India. There can be no assurance that the demand for our products will grow or will not decrease in the future in these states.

- 18. *If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations, cash flows and financial condition could be adversely affected.***

We have framed provisioning requirements related to our loan assets pursuant to applicable RBI and NHB regulations or more conservative, as are relevant to us and our various subsidiaries. For details relating to our NPAs, provisions for NPAs and RBI and NHB provisioning norms, see “*Our Business – Asset Quality*” on page 113 of this Draft Shelf Prospectus.

If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or if future regulation requires us to increase our provisions, our ability to raise additional capital and debt funds as well as our results of operations and financial condition could be adversely affected.

- 19. *We depend on the accuracy and completeness of information about customers and counterparties for our business. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.***

In deciding whether or not to extend credit or enter into other transactions with customers, we rely on information furnished to us by or on behalf of customers. We may also rely on certain representations from our customers as to the accuracy and completeness of that information. To ascertain the creditworthiness of potential borrowers, we may depend on credit information companies or credit bureaus, and our reliance on any misleading information may affect our judgement of credit worthiness of potential borrowers, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

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

- 20. *Group loans pose unique risks not generally associated with other forms of lending in India, and, as a result, we may experience increased levels of Gross NPA and related provisions and write-offs that could have an adverse effect on our business, future financial performance and results of operations.***

Our group loans customers typically belong to economically weaker segments of society in India, who have limited sources of income, savings and credit records, and who typically cannot provide us with any collateral or security for their borrowings. As a result, our group loans customers present a higher credit risk of default than the customers of the other streams of our business (who have greater financial resources and more established credit histories) and other borrowers living in urban areas with better access to education,

employment opportunities, and social services. In addition, we rely on non-traditional guarantee mechanisms in connection with our loan products, which are generally secured by individual and joint liability group guarantees, rather than tangible assets. There can however be no assurance that such joint liability arrangements will ensure repayment by the other members of the joint liability group in the event of default by any one of them. Such joint liability arrangements are likely to fail if there is no meaningful personal relationship or bond among members of such group, if inadequate risk management procedures have been employed to verify the group members and their ability to repay such loans, or as a result of adverse external factors such as natural calamities or forced migration. Further, while we have our own customized due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure a lower delinquency rate. As a result, our customers potentially present a higher risk of loss in case of a credit default compared to that of borrowers in other asset-backed financing products. In addition, repayment of group loans are susceptible to various political and social risks, including any adverse publicity relating to the group loans sector, public criticism of the group loans sector, the introduction of a stringent regulatory regime, or religious beliefs relating to loans and interest payments. As a result, our group loans pose a higher degree of risk than loans secured with physical collateral.

As at March 31, 2019 and March 31, 2018, adjusted loans and advances for our group loans business were ₹ 409,544 Lakhs and ₹ 282,797 Lakhs respectively, which accounted for 19.3% and 18.1% respectively of our total adjusted loans and advances. As at March 31, 2019 and March 31, 2018, the Gross NPAs (at 90 days past due) for our group loans business was ₹ 1,824 Lakhs and ₹ 1,501 Lakhs respectively. The gross NPAs as a percentage of the total adjusted loans and advances were 0.1%, and 0.1% as at March 31, 2019, and 2018, respectively, while the net NPAs as a percentage of net adjusted loans and advances were 0.0%, and 0.02% as at March 31, 2019 and 2018, respectively. Due to the underlying financial and social circumstances of our group loans customers and our non-traditional lending practices we may, in the future, experience increased levels of non-performing loans and related provisions and write-offs that could have an adverse effect on our business, future financial performance and results of operations.

21. *Our business is subject to various regulatory and legal requirements governing the banking and financial services industry in India. Also, future regulatory changes may have a material adverse effect on our business, results of operations and financial condition.*

As an NBFC, our Company is subject to regulation by various Government authorities, including the RBI. We are subject to the RBI's guidelines on financial regulations of NBFCs including capital adequacy and exposure norms. The RBI also regulates credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. Further, our Subsidiary, being an HFC, also operates in an extensively regulated environment and is subject to any changes in laws and regulations applicable to HFCs, including the provisioning norms for NPAs and capital adequacy requirements.

For instance, all deposit taking NBFCs are required to maintain a minimum capital adequacy ratio consisting of Tier I and Tier II capital which shall not be less than 15 % of its aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items. Similarly, the HFC Directions require all HFCs to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital of not lower than 12% of its aggregate risk weighted assets and risk adjusted value of off-balance sheet items, as applicable. If we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital to continue to meet applicable capital adequacy ratios with respect to our business. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, which may adversely affect our business.

We are also required to make various filings with the RBI, the NHB, the Registrar of Companies and other relevant authorities pursuant to the provisions of the regulations/ master directions prescribed by the RBI and the NHB, the Companies Act and other regulations, which require continued monitoring and compliance. If we fail to comply with these requirements, or a regulator claims we have not complied with these requirements, we may be subject to penalties and legal proceedings. Further, in July 2019, a late submission fee of ₹ 1.80 Lakhs was levied on us by RBI for late submission of FC-GPR.

Further, the legal, regulatory and policy environment in which we operate is evolving and subject to change. The laws, regulations and policies applicable to us may be amended, supplemented or changed at any time such that we may be required to restructure our activities and incur additional expenses to comply

with applicable laws and regulations. Such changes may also adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law, regulations and policies.

For further information pertaining to the regulatory regime governing us, see “*Regulations and Policies*” on page 175 of this Draft Shelf Prospectus.

22. *We and our Subsidiary are subject to periodic inspections from RBI and NHB, respectively. Non-compliance with RBI or NHB observations may have a material adverse effect on our and our Subsidiary’s business, financial condition, cashflows and results of operation.*

As an NBFC, we are subject to periodic inspection by the RBI under Section 45N of the Reserve Bank of India Act, 1934 (the “**RBI Act**”), pursuant to which the RBI inspects 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 RBI. Further, our Subsidiary, Fullerton India Home Finance Company Limited is subjected to periodic inspections of books of accounts and other records by NHB for verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information which Fullerton India Home Finance Company Limited may have failed to furnish on being called upon to do so. Any irregularities found during such inspection by such regulatory authorities could similarly, expose us to warnings, penalties and restrictions. During the course of finalization of inspection, regulatory authorities may also share their findings and recommendations with us and give us an opportunity to provide justification and clarifications.

For instance, pursuant to the inspection of our book of accounts for Fiscal 2017, the RBI highlighted, among others, providing top up loans to existing borrowers despite our Company’s credit policy not containing guidelines to address such top up loans, legal risks in the poor appraisal system on account of linking of firms/ companies as co-borrowers for the loans availed by third party firms/ companies and individuals and merging of financials of firms acting as co-borrowers to ascertain their capacity to repay(which was not captured in the appraisal notes by our Company), non-availability of loan agreements in vernacular language, non periodic renewal of information technology policy and fair practice code. Our Company subsequently filed a letter with the RBI, replying to the observations made in the inspection report, and has responded to follow-up observations issued by the RBI. Further pursuant to the inspection of our book of accounts for Fiscal 2018, the RBI highlighted, among others, understatement of exposure to real estate, deficiency in loan agreement executed by our Company, non classification of trade receivables, aging more than 90 days as substandard category and accordingly not holding any provision for them, write off of loans without approval of Risk Oversight Committee or Board and no analysis of the write offs, deficiency in implementation of fair practice code, understatement of customer complaints, harassment during repossession/recovery of loans and other behavior related complaints. Our Company subsequently filed a letter with the RBI, replying to the observations made in the inspection report.

Further RBI vide its various communications advised our Company to surrender its Category A registration (Deposit taking NBFC) and apply for conversion into a non deposit taking NBFC. Our Company has replied to the communications and requested to maintain status quo, with regards to its Category A registration, as while the Company has not presently accepted any public deposit, our Company wanted to retain its ability to access public deposit.

We have responded to observations made by such authorities and addressed them, however we cannot assure you that these authorities will not find any deficiencies in future inspections or otherwise/ the authorities will not make similar or other observations in the future. In the event we are unable to resolve such deficiencies to the satisfaction of the relevant authority, we may be restricted in our ability to conduct our business as we currently do. Further, in the event we are unable to comply with the observations made by the authorities, we could be subject to penalties and restrictions which may have an adverse effect on our business, results of operations, financial condition and reputation.

23. *The restrictions imposed on NBFCs by the RBI through a Master Circular – Bank Finance to Non-Banking Financial Companies dated July 1, 2015, as amended, may restrict our ability to obtain bank financing for specific activities.*

Pursuant to the Master Circular dated July 1, 2015, the RBI has imposed certain restrictions on banks providing financing to NBFCs. Pursuant to this Master Circular, certain NBFC activities are ineligible for financing by banks, such as certain types of discounting and rediscounting of bills, investments of both current and long term nature by way of shares, debentures, etc, loans and advances by NBFCs to their subsidiaries and group companies, or lending by NBFCs to individuals for subscribing to public offerings and purchasing shares from the secondary market, unsecured loans, inter- corporate deposits provided by the NBFCs and subscription to shares or debentures by NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues and/or in the form of loans of a temporary nature pending the raising of long-term funds from the market by way of capital, deposits, or other means to any category of NBFCs;
- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs. The Master Circular also requires that guarantees not be issued by banks for the purpose of indirectly enabling the placement of deposits with NBFCs.

These restrictions may adversely affect our access to or the availability of bank finance, which may in turn adversely affect our financial condition and results of operations.

24. *Changes in RBI's priority sector lending requirements may adversely affect our cost of funding.*

Pursuant to the Master Directions - RBI (Priority Sector Lending – Targets and Classification) Directions, 2016, as amended from time to time, domestic scheduled commercial banks and foreign banks with 20 or more branches in India are required to maintain 40% of their adjusted net bank credit or credit equivalent of their off balance sheet exposure, whichever is higher, as priority sector advances. Foreign banks with 20 or less branches in India are required to achieve 40% priority sector lending in a phased manner i.e. 32% by Fiscal 2016, 34% by Fiscal 2017, 36% by Fiscal 2018, 38% by Fiscal 2019 and 40% by Fiscal 2020. Priority sector lending includes loans to the agriculture, micro and small enterprises, low-income housing projects, renewable energy, exports and similar sectors where the GoI seeks to encourage the flow of credit to stimulate economic development in India. Commercial banks in the past have relied on specialized institutions, including microfinance institutions and other financing companies including NBFCs, to provide them with access to qualifying advances through lending programs and loan assignments, which may lead to more competition for us and may impact our business and results of operations adversely.

Any such changes in priority sector guidelines by RBI may adversely affect our business and operations. While scheduled commercial banks may still choose to lend to NBFCs, they may charge higher rates since these loans no longer count towards their priority sector lending requirements. This may lead to an increase in the rates at which such loans have historically been offered to us, thereby increasing our borrowing costs and adversely affecting our financial condition and results of operation.

25. *We enter into assignment/ securitization transactions to transfer certain receivables from our outstanding loan portfolio. If such assignment/ securitization of receivables is held to be unenforceable under applicable law, our business, financial condition and results of operations could be adversely affected.*

From time to time we assign / securitize receivables from our outstanding loan portfolio to other NBFCs and banks for a consideration to, among other reasons, improve our liquidity and financial ratios and diversify our sources of funding. As of March 31, 2019, our portfolio of assigned outstanding loans was ₹ 29,234 Lakhs, constituting 1.4 % of our Company's total adjusted loans and advances. In January 2009, the High Court of Gujarat held that the provisions of the Banking Regulation Act, 1949 do not permit banks to assign debt due to them, including the assignment of debt between two banks. However, on appeal, the Supreme Court of India reversed the decision of the High Court of Gujarat and held that assignment of debts by the banks inter-se is not barred by law. If in the future, one or more of the assignment transactions

entered into by us is held to be unenforceable by a court of law, we may be required to terminate such assignment transactions. Such events may adversely affect our business, financial condition and results of operations.

26. *If interest rate restrictions are imposed on lending by NBFCs, our operating results and financial condition may be adversely affected.*

We are subject to laws and regulations by Indian governmental authorities, including the RBI. There may be future changes in the regulatory system or in the enforcement of the laws and regulations that could adversely affect us. For instance, a number of states in India have enacted laws to regulate transactions involving money lenders. These state laws establish maximum rates of interest that can be charged by a person lending money. The RBI, however, has not established a ceiling on the rate of interest that can be charged by an NBFC in our sector of operations. Currently, the RBI requires that the board of all NBFCs adopt an interest rate model taking into account relevant factors such as the cost of funds, margin and risk premium. If, in the future, the RBI imposes an interest rate ceiling on lending by NBFCs, our operating results, cash flows and financial condition may be adversely affected.

27. *We provide unsecured trade advances to OEMs and dealers to promote our business. If such advances are not repaid or set off, we may have to write - off such advances, which may have an adverse effect on our results of operations, financial condition and cash flows.*

We provide unsecured trade advances in the normal course of business to OEMs and dealers with whom we have business relationships and we intend to continue to provide such trade advances in the future. These OEMs and dealers are permitted to net the principal amount of loans granted to our customers from such trade advances. These trade advances are not secured. While these advances were considered good as at March 31, 2019, any failure to recover such advances or set these off will have an adverse effect on our results of operations, financial condition and cash flows.

28. *We require certain statutory and regulatory approvals for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our operations.*

We require certain statutory and regulatory approvals for conducting our business. For instance, we are required to obtain and maintain a certificate of registration for carrying on business as an NBFC that is subject to numerous conditions. We also require licenses and approvals to operate our various lines of business. We may not be able to obtain such approvals in a timely manner or at all.

In addition, some of our offices and branches are required to be registered under the relevant shops and establishments laws of the states and also require a trade license in certain states. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. A court, arbitration panel or regulatory authority may in the future find that we have not complied with applicable legal or regulatory requirements. We may also be subject to lawsuits or arbitration claims by customers, employees or other third parties in the different state jurisdictions in India in which we conduct our business. 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 the regulator is of the view that 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. We may also incur substantial costs related to litigation if we are subject to significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

29. *The auditors' report for the year ended March 31, 2019 and March 31, 2018 contain certain observations included in the annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2016 (as amended) and certain observations are also included in the standalone and consolidated financial statement for the year ended March 31, 2017, March 31, 2016 and March 31, 2015.*

The auditors' report for the year ended March 31, 2019 and March 31, 2018 contain certain observations included in the annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2016 (as amended.), as below:

Audit Observation in Annexure to Auditors' Report, which do not require any corrective adjustments in the Reformatted Standalone/Consolidated Financial Information

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ('CARO') issued by the Central Government of India under sub-section (11) of Section 143 of the Companies Act, 2013. Certain statements /comments included in CARO, which do not require any adjustments in the Restated Consolidated Summary Financial Information are reproduced below in respect of the financial statements presented:

Fullerton India Credit Company Limited – for the year ended 31 March 2019

Clause (vii) (a) of the CARO:

According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including employee's state insurance, income tax, goods and services tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except provident fund which is deposited with appropriate authority with few delays.

Clause (x) of the CARO:

During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, except for ` 10.41 lakhs as disclosed in Note 44 to the standalone financial statements, we have neither come across any instance of fraud by the Company or on the Company by its officer or employees, noticed or reported during the year, nor have been informed of such case by the management.

Fullerton India Home Finance Company Limited – for the year ended 31 March 2019

Clause (vii) (a) of the CARO:

According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including employee's state insurance, income tax, goods and services tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except provident fund which is deposited with appropriate authority with few delays.

Fullerton India Credit Company Limited – for the year ended 31 March 2018

Clause (vii) (a) of the CARO:

According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including employee's state insurance, income tax, goods and services tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except provident fund which is deposited with appropriate authority with few delays.

Clause (x) of the CARO:

During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, except for ` 29 lakhs as disclosed in note 39 to the standalone financial statements, we have neither come across any instance of fraud by the Company or on the Company by its officer or employees, noticed or reported during the year, now have been informed of such case by the management.

Fullerton India Home Finance Company Limited – for the year ended 31 March 2018

Clause (vii) (a) of the CARO:

According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including employee's state insurance, income tax, goods and services tax, cess and other material statutory

dues have been regularly deposited during the year by the Company with the appropriate authorities except provident fund which is deposited with appropriate authority with few delays.

There is no assurance that our auditors' reports for any future Fiscal periods will not contain qualifications or matters of emphasis or that such qualifications or matters of emphasis will not require any adjustment in our financial statements for such future periods or otherwise affect our results of operations in such future periods

The auditor has also made certain observations in the audited standalone and consolidated financial statements for the year ended March 31, 2017, March 31, 2016 and March 31, 2015. There is no assurance that the matter of emphasis/ observation shall not be set out in the future financial statements of the Company and its Subsidiaries. For further details refer to the respective audit reports of the financial years.

30. *We may not be in compliance with relevant state money lending laws, which could adversely affect our business. In the event that any state government requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty, including for prior non-compliance, our business, results of operations and financial condition may be adversely affected.*

There exists ambiguity on whether NBFCs are required to comply with the provisions of state money lending laws that impose ceilings on interest rates. Further, in the event the provisions of any state specific regulations are extended to NBFCs such as our Company, we could have increased costs of compliance and our business and operations could be adversely affected. There are severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, or imposes any penalty against us, our Directors or our officers, including for prior non-compliance, our business, results of operations and financial condition may be adversely affected.

31. *The implementation of the Bankruptcy Code may affect our rights to recover loans from borrowers.*

The Insolvency and Bankruptcy Code, 2016 (“**Bankruptcy Code**”) was notified on August 5, 2016 and amended by the Insolvency and Bankruptcy (Amendment) Act, 2018. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and sets forth adjudicatory mechanisms, all of which facilitate a time-bound insolvency resolution and liquidation process. It allows creditors to assess the viability of a debtor and agree upon a plan for its revival or a speedy liquidation. It is applicable to companies, limited liability partnerships, individuals, partnership and proprietorship firms. However, the provisions related to individuals, partnership and proprietorship firms are yet to be notified and may be notified and brought into force by the Central Government in the future.

In the course of insolvency proceedings, to avoid multiplicity of individual enforcement actions by creditors which could potentially lead to asset-stripping, the Bankruptcy Code envisages a ‘moratorium’ during the insolvency resolution period to enable the debtor and creditors to assess the situation and deliberate their future course of action. During the moratorium period, any actions to foreclose, recover or enforce any security interest created by the corporate debtor are typically prohibited. Accordingly, in the event a moratorium is declared pursuant to an ongoing insolvency resolution proceeding with respect to a corporate debtor, we may not be able to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property in our favour during such period.

Further, in the event a liquidation process is ordered by the relevant authority, the Bankruptcy Code specifies the order of priority in which the proceeds from the sale of the debtor’s assets are to be distributed. The secured creditors may decide to opt out of this process, in which case they are permitted to realize their security interests in accordance with law. However, if the secured creditor chooses to relinquish its security interest and be part of the liquidation process then before sale proceeds are distributed to a secured creditor, they are to be distributed towards the costs of the insolvency resolution and liquidation processes, as well as for workmen’s dues for the period of 24 months preceding the liquidation commencement date. In each case, there may also be additional risks arising out of the nature of business of the borrower and the consequent number of creditors seeking recovery of debt. For instance, the recent amendment bringing home buyers at par with financial creditors under the Bankruptcy Code, may have a material adverse effect on the recovery of loans advanced by us to construction companies, upon default.

Accordingly, if the provisions of the Bankruptcy Code are invoked against or by any of the corporate borrowers of our Company, it may affect our Company's ability to recover our loans from such borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code. In the event the Bankruptcy Code is further amended to stipulate additional or more stringent procedural requirements on the creditors, it may further adversely affect our ability to recover loan amounts from defaulting borrowers.

- 32. *We are required to prepare our financial statements with effect from April 1, 2019 under the Ind AS. As Ind AS differs in various respects from Indian GAAP, our financial statements for the financial year 2019 may not be comparable to our historical financial statements prepared under IGAAP.***

The Companies (Indian Accounting Standards) Rules, 2015 (“**IAS Rules**”), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP with IFRS. The IAS Rules provide that financial statements of companies to which such rules apply shall be prepared in accordance with Ind AS. Ind AS differs in various respects from Indian GAAP. We understand there are significant differences on accounting treatment for revenue, expenses and credit cost. However, the summary may not contain all significant differences between both the GAAPs applicable to our Company and reliance by prospective investor should be limited.

- 33. *System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our operations depend on our ability to process a large number of transactions on a daily basis across our network of business outlets, which are fully inter-connected. Each branch/business outlet is also connected to our head office through our Loan Management Systems (LMS). Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are beyond our control, including a disruption of electrical or communications services, particularly in the rural and semi-urban markets in which we primarily operate.

Our business is particularly susceptible to such disruptions because of our reliance on technology systems and processes, our mobility solutions and the higher cost of installation and implementation of technology in the rural and semi-urban markets. Any failure in these systems may adversely affect our business.

Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, servers, software, including software licensed from vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft including customer data, customer KYC documents (including identity proofs, income and tax statements and bank account details), employee data and propriety business data, trade secrets or other intellectual property, for which we could potentially be liable. In addition, our systems are vulnerable to data security breaches, whether by employees, who may have a lack of experience with our newer information technology systems, or others, that may expose sensitive data to unauthorized persons. Although we have not experienced any significant disruptions to our information technology systems in the past, we cannot assure you that we will not encounter disruptions in the future. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties. Moreover, if there are other shortcomings or failures in our technology systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.

- 34. *In the case we are not able to continue enjoying rights to the Loan Management System (LMS) deployed by our Company, our business, results of operations, cash flows and financial condition could be adversely affected.***

We have licensed the LMS, a comprehensive, integrated business solution from Nucleus Software Exports Limited and Craft Silicon Private Limited, to address the strategic and day to day challenges faced by us. LMS is designed to suit the needs of organizations with large branch networks, such as ours and assists in loan origination, collections, loan maintenance, deposits and treasury operations. In relation to the LMS platform, we also avail data centre services from Global Comm Pvt Ltd with all round support, firewall and security settings.

The usage arrangements for the LMS are perpetual for a limited set of users but support for the software is valid upto March 31, 2020 and is to be renewed thereafter. There can be no assurance that we will be able to successfully renew such arrangements at all or on favourable terms; or be able to secure alternative software and information technology solutions at similar or more favourable terms. In the event we are unable to use the LMS system and ancillary services in the future, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.

35. *Our loans to small enterprises businesses depend on the performance of the small enterprises sector/MSME/SME in India, and government policies and statutory and/or regulatory reforms in the small enterprises finance sector.*

We believe we specialize in small enterprise/MSME/SME financing. We provide loans to these segments through many of our products such as Business Loans, Commercial Vehicle loans, Loans Against Property in both rural and urban branches and also through digital channels.

The Government of India has from time to time taken economic policy initiatives to promote this sector and enhance credit to small and medium enterprises. Some of the initiatives of the Government to support small enterprise financing include setting up a credit guarantee fund trust for small industries, risk sharing facilities, venture capital funding and micro credit. The small enterprises finance sector currently is catered to largely by public sector banks, public financial institutions and local unorganized private financiers.

Any change in the regulatory requirements in connection with the small enterprise/MSME/SME finance sector, change in government policies, slowdown in liberalization and reforms affecting the sector could affect the performance of small enterprises and demand for small enterprise finance, and, in turn, our business and results of operations.

36. *Our customer base comprises primarily individual borrowers, who generally are more likely to be affected by declining economic conditions than large corporate borrowers. Any decline in the repayment capabilities of our borrowers, may result in increase in defaults, thereby adversely affecting our business, cash flows and financial condition.*

Individual borrowers are generally less financially resilient than large corporate borrowers, and, as a result, can be more adversely affected by declining economic conditions. In addition, a significant majority of our customer base belongs to the low to middle income group, who may be more likely to be affected by declining economic conditions than large corporate borrowers.

Any decline in the economic conditions may impact the repayment capabilities of our borrowers, which may result in increase in defaults, thereby adversely affecting our business and financial condition.

37. *Our subsidiary, Fullerton India Home Finance Company Limited being an HFC, has significant exposure to the real estate sector and any negative events affecting this sector could adversely affect our business, cash flow and result of operations.*

The primary security for the loans disbursed by Fullerton India Home Finance Company Limited 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 Fullerton India Home Finance Company Limited 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 us to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition.

Any change in government and regulatory policies affecting the real estate sector may also affect demand for our loans, thereby adversely affecting our results of operations. The implementation of the Real Estate (Regulation and Development) Act, 2016 (the “**Real Estate Act 2016**”) has imposed significant compliance and reporting requirements on real estate developers, including the mandatory registration of real estate projects, restrictions on issuing advertisements or accepting advances in relation to real estate projects unless such projects are registered with the RERA and the maintenance of a separate account for depositing

70% of the amounts realized from allottees of each real estate project. Withdrawals can be made from the separate account only to cover the cost of the relevant project, in proportion to the percentage of completion of the project. Owing to the onerous compliance requirements and interpretational ambiguity arising from the Real Estate Act, the activity in the residential real estate industry may be subdued in the short term, leading to a decrease in the demand for our products.

38. Any adverse developments in the two-wheeler or commercial vehicle financing industries could adversely affect our business, results of operations and financial condition.

Through our commercial vehicle loans and two-wheeler finance business, we provide financing for new and pre-owned commercial vehicles and new two-wheelers, primarily to customers in rural and semi-urban markets.

As of March 31, 2019, our AUM for two-wheeler loans and commercial vehicle loans were ₹ 21,436 Lakhs and ₹ 1,48,047 Lakhs respectively, cumulatively accounting for 7.9% of our total AUM as of such date.

Our asset portfolio has, and would continue to have, a significant proportion of financing arrangements for two-wheelers and commercial vehicles in rural and semi-urban markets. The success of our business thus depends on various factors that affect customers for such two-wheelers and commercial vehicles, including, the macroeconomic environment in India, the demand for transportation and changes in regulations and policies in connection with two-wheelers and commercial vehicles. Any decline in sales of or in demand for financing for two-wheelers or commercial vehicles could adversely affect our business, results of operations, cash flows and financial condition.

39. Since we handle high volumes of cash in a dispersed network of business outlets, we are exposed to operational risks, including employee negligence, fraud, petty theft, burglary and embezzlement, which could harm our results of operations and financial position. Further, our employees may be the target of violent crime, such as thefts and robberies, which may adversely affect our business, operations and our ability to recruit and retain employees.

Our business involves carrying out cash transactions that expose us to the risk of theft, fraud, misappropriation or unauthorized transactions by employees responsible for dealing with such collections. These risks are exacerbated by the high levels of responsibility we delegate to our employees and the geographically dispersed nature of our network. We primarily cater to customers from the rural and semi-urban markets, which carry additional risks due to limitations on infrastructure and technology. Given the high number of transactions we process on a daily basis, certain instances of fraud and misconduct may go unnoticed or may only be discovered belatedly and could possibly be rectified after delay. Even when we discover such instances of fraud or theft and pursue them to the full extent of the law, there can be no assurance that we will recover any of the amounts involved in these cases. Our reputation could be adversely affected by fraud committed by employees, customers or outsiders.

We may also be subject to regulatory or other proceedings in connection with any unauthorized transactions, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. We may also be party to civil litigation and criminal proceedings related to our cash collections and acceptance of allegedly stolen/ misappropriated property as security. For further information refer to **“Outstanding litigations and defaults”** on page 170 of this Draft Shelf Prospectus.

Further, in instance that our employees may get subjected to violent attacks, theft or robbery in the course of their duties in certain areas of operations, our ability to service such areas will be adversely affected and our employee recruiting and retention efforts may be curtailed, which would negatively impact our expansion and growth plans. In addition, if certain areas in India pose a significantly higher risk of crime or political strife and instability, our ability to service such areas will be adversely affected and our expansion and growth may be curtailed. In addition, our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect.

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. In the course of our operations, we 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 customary in India to prevent the occurrence of these risks. Although we believe that we have adequate internal policies, processes and controls in place to prevent and detect any AML activity and ensure KYC compliance, there can be no assurance that we will be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions including imposition of fines and other penalties. We, in certain of our activities and in pursuit of our business, run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a KYC and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our business and reputation.

41. *Our insurance coverage may not adequately protect us against losses.*

We maintain insurance coverage that we believe is adequate for our operations, including a group policy for our employees, standard fire insurance, insurance against burglary and public liability policy. For details, see “**Our Business – Insurance**” on page 106 of this Draft Shelf Prospectus.

Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim.

A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a larger deductible or co- insurance requirement, could adversely affect our business, financial condition and results of operations.

42. *Most of our offices are located on leased premises and non-renewal of lease agreements or their renewal on terms unfavorable to us could adversely affect our operations.*

Majority of our Company’s offices including our registered office are housed on leased premises, which expire from time to time. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate the agreement we may suffer a temporary disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

43. *We may not be able to successfully sustain and manage our growth strategy. Inability to effectively manage any our growth and consequently related issues may adversely affect our business and financial condition.*

We have demonstrated consistent growth in our business and profitability. Our total income increased to ₹ 4,13,812 Lakhs for Fiscal 2019 from ₹ 2,71,262 Lakhs for Fiscal 2018. Our net profit after tax increased to ₹ 77,522 Lakhs for Fiscal 2019 from ₹ 34,963 Lakhs for Fiscal 2018.

We have stated our objectives for raising funds through the Issue and have set forth our strategy for our future business herein. However, depending on prevailing market conditions and other commercial considerations, our business model in the future may change from what is described herein. We face a number of operational risks in executing our growth strategy. Our business outlet network has expanded significantly. We have expanded our presence into smaller towns and cities within India and are gradually introducing all our products in each of our business outlets. Our growth strategy includes growing our loan book and expanding our customer base. There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to expand further or diversify our product

portfolio. If we grow our loan book at a faster pace or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.

Our rapid growth exposes us to a wide range of increased risks, including business risks, such as the possibility that our impaired loans may grow faster than anticipated, as well as operational risks, fraud risks and regulatory and legal risks. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of customers, developing managerial experience to address emerging challenges, developing our relationship with our customers, identifying new cross-selling opportunities and ensuring a high standard of customer service. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees on a continuing basis to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high-risk credit and impose significant costs on us. There can be no assurance that we will be able to maintain our current levels of profitability if the gross spreads on our finance products were to reduce substantially, which could adversely affect our results of operations.

44. *We may experience difficulties in expanding our business into new regions and markets in India and introducing our complete range of products in each of our business outlets, which may adversely affect our business, results of operations and financial condition.*

As part of our growth strategy, we continue to evaluate opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices and customs and customer requirements in these new markets may differ from those in our 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 customers.

We also intend to establish our operations through new business outlets in cities and towns where we historically had relatively limited operations, such as in eastern and northern parts of India, and to further consolidate our position and operations in western and southern parts of India. We also intend to gradually introduce our entire range of product offerings at each of our existing business outlets across India.

As a consequence of such proposed expansion, 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 gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial condition and results of operations.

45. *We may develop new financial products which may not yield the intended results and which in turn may have an adverse effect on our business, prospects and results of operations.*

We may from time to time evaluate the introduction and launch of new financial products. Developing and commercializing a new product can be time consuming, costly and subject to numerous factors, including among others:

- ability to correctly anticipate customer demand and the market for such products;
- ability to develop products in a timely manner and in compliance with regulatory requirements;
- risk that any of our products that maybe under development, if and when fully developed and teste d, will not perform as expected;

- delays or unanticipated costs; and
- delay in locating and establishing collaborations with distributors or other channels to distribute our products in our targeted markets.

We cannot assure you that any expenses we incur in developing or distributing such products will be recovered, partially or at all, even if we are successful in launching such products. In the event we fail to successfully and timely develop, and launch new financial products, our business, prospects and results of operations may be adversely affected.

46. *We face difficulties and incur additional expenses in operating from rural and semi urban areas, where infrastructural facilities are limited.*

A significant portion of our operations are conducted in rural and semi urban areas, which may have limited infrastructure, particularly for transportation and electricity. At offices in remote markets, we face certain difficulties in conducting such operations, such as accessing power facilities, transporting people and equipment and maintaining profitability at business outlets in remote areas. Further, our business outlets in rural and semi-urban areas may not have uninterrupted internet access owing to limited network connectivity, which could adversely affect data processing by such outlets on our ERP platform. We may also face increased costs in implementing security measures and expanding our advertising presence. We cannot assure you that such costs will not increase in the future as we expand our network in rural and semi urban areas, which could adversely affect our profitability.

47. *We have experienced negative cash flows in relation to our operating activities and investment activities in recent years/periods. Any negative cash flows in the future could adversely affect our results of operations and financial condition.*

We had a cash outflow from operating activities of ₹ 4,53,219 Lakhs, ₹ 3,67,007 Lakhs for fiscal years 2019 and 2018, respectively. Our cash outflow from operating activities of ₹ 10,779 Lakhs, ₹ 1,96,483 Lakhs and ₹ 2,04,894 Lakhs for fiscal years 2017, 2016 and 2015, respectively. Further, we had a cash outflow from investing activities of ₹ 99,803 Lakhs and cash flows from investment activities of ₹ 1,24,585 Lakhs, for financial year 2019 and 2018, respectively. If we experience any cash outflow in the future, this could adversely affect our business prospects, financial condition and results of operations. For further information, see the section titled “*Financial Information*” on page 148 of this Draft Shelf Prospectus.

48. *The success of our business depends on our ability to attract and retain our senior management and employees in critical roles, and the loss of their services could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.*

The success of our business depends on the continued service of our senior management and various professionals and specialists, information technology specialists, relationship managers and finance professionals (including tax and accounting specialists), legal professionals, risk management specialists, compliance specialists and specialists in other control functions. As a result of ever-increasing market competition, the market demand and competition for experienced management personnel, qualified professionals and specialists has intensified. Our business and financial condition could suffer if we are unable to retain our senior management, or other high-quality personnel, including management in professional departments of business, finance, internal controls and information technology, or cannot adequately and timely replace them upon their departure.

In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially business outlet managers and product executives. If we cannot hire additional qualified personnel or retain them, we will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to hire, suitably train and incentivize employees may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure and our ability to expand our business will be impaired and our revenue could decline. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations.

As of June 30, 2019, we employed 13,742 employees. Though, we maintain good relationship with our employees, we cannot assure you that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and result operations.

49. *Our business is dependent on relationships with our clients established through, amongst others, our branches and key branch personnel. 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 our branches and 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. Our business may suffer materially if a substantial number of branch managers either become ineffective or leave us.

Our branches are typically located on leased/rented premises. Some of the lease/rent agreements may have expired and we maybe currently involved in negotiations for the renewal of these lease/rent agreements. If these lease/rent agreements are not renewed or are renewed on terms unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

50. *Our Company, its Subsidiary and Promoters are involved in certain legal and other proceedings that if determined against us could have a material adverse effect on our financial condition and results of operations.*

Our Company, its Subsidiary and Promoters are parties to various legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals and statutory, regulatory and other judicial authorities in India, and, if determined against us, could adversely affect our business, results of operations and financial condition. We can give no assurance that these legal proceedings will be decided in our favour or that no further liability may arise from these claims in the future. See “*Outstanding Litigation and Defaults*” on page 170 of this Draft Shelf Prospectus for a description of certain material proceedings involving our Company, its Subsidiary and Promoters.

Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and current liabilities, which could adversely affect our results of operations.

51. *Any change in control of our Promoters and/or any disassociation of our Company from the Fullerton group could adversely affect our operations and profitability.*

As of June 30, 2019, our Promoter holds 100% of our paid-up share capital. If our Promoter ceases to exercise control over us as a result of any transfer of shares or otherwise, our ability to derive any benefit from the brand name “Fullerton” and our goodwill as a part of the Fullerton group of companies may be adversely affected, which in turn could adversely affect our business and results of operations. Any such change of control could also significantly influence our business policies and operations.

We benefit in several ways from other entities under the Fullerton group. We capitalize on the Fullerton Group’s ecosystem to reach out to our prospective customers and our focus has been in maximizing our association with the “Fullerton” brand name and the synergies offered by the infrastructure of, and entities in, the Fullerton group. Accordingly, any disassociation of our Company from the Fullerton group and/or our inability to access the infrastructure provided by other companies in the Fullerton group could adversely affect our ability to attract customers and to expand our business, which in turn could adversely affect our goodwill, operations and profitability.

- 52. *We have entered into, and will continue to enter into, related party transactions and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.***

We have entered into transactions with several related parties, including our Promoters and companies in the Fullerton Group. We can give no assurance that we could not have achieved more favorable terms had such transactions been entered into with parties that were not related parties. Furthermore, it is likely that we may enter into related party transactions in the future. While transaction held at arms length prices we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. Any future transactions with our related parties could potentially involve conflicts of interest. For more information, see “**Related Party Transactions**” on page 147 of this Draft Shelf Prospectus.

- 53. *We have certain contingent liabilities which may adversely affect our financial condition.***

As of March 31, 2019, we had certain contingent liabilities under Ind AS 37 (excluding guarantees issued by our Company) not provided for, amounting to ₹ 20 Lakhs, determined in accordance with our accounting policies as disclosed under our significant accounting policies and notes to the accounts. Further, the contingent liability of amounts disclosed in our financial statements represents estimates and assumptions of our management based on advice received. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected. For further information on such contingent liabilities, see “**Financial Information**” on page 148 of this Draft Shelf Prospectus. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

- 54. *We have availed certain unsecured loans that are callable by the lenders, subject to the terms and conditions of their grant, at any time.***

We avail unsecured loans and other instruments, from time to time, which are callable on demand by our lenders. In such cases, the lenders are empowered to require repayment of the facility at any point in time during the tenure. In case any of such loans are recalled on demand by our lenders and we are unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. Cash credits from banks amounts to ₹ 102 Lakhs as of March 31, 2019 but may increase in future. For further information, see the chapter titled “**Financial Indebtedness**” on page 153 of this Draft Shelf Prospectus.

- 55. *Any failure by our Company to identify, manage, complete and integrate acquisitions, divestitures and other significant transactions successfully could adversely affect its results of operations, business prospects and/or cash flows.***

As part of our Company's business strategy, our Company may acquire complementary companies or businesses, divest non-core businesses or assets, enter into strategic alliances and joint ventures and make investments to further its business. In order to pursue this strategy successfully, our Company must identify suitable candidates for and successfully complete such transactions, some of which may be large and complex, and manage the integration of acquired companies or employees. Our Company may not fully realise all of the anticipated benefits of any such transaction within the anticipated timeframe or at all. Any increased or unexpected costs, unanticipated delays or failure to achieve contractual obligations could make such transactions less profitable or unprofitable. Managing business combination and investment transactions requires varying levels of management resources, which may divert its attention from other business operations, may result in significant costs and expenses and charges to earnings. The challenges involved in integration include:

- combining product offerings and entering into new markets in which the Group is not experienced;
- consolidating and maintaining relationships with customers;
- consolidating and rationalising transaction processes and corporate and information technology infrastructure;
- integrating employees and managing employee issues;

- coordinating and combining administrative and other operations and relationships with third parties in accordance with applicable laws and other obligations while maintaining adequate standards, controls and procedures;
- achieving savings from infrastructure integration; and
- managing other business, infrastructure and operational integration issues.

56. *Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries.*

We are exposed to a variety of risks, including liquidity risk, interest rate risk, currency risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC and retail finance sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards.

57. *Lapses or significant weakness of internal controls systems could adversely impact our business.*

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal or concurrent audit functions are equipped to make an evaluation of the adequacy and effectiveness of internal controls on an ongoing basis to ensure that business units adhere to our internal risk policies, compliance requirements and internal circular guidelines. While we periodically test and update, as necessary, our internal controls systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to guarantee effective internal controls in all circumstances.

Given the size of our operations, it is possible that errors may repeat or compound before they are discovered and rectified. For instance, we are vulnerable to risks arising from the failure of employees to adhere to approved procedures, failures of security systems, computer system disruptions, communication systems failure and data interception during transmission through external communication channels and networks. Failure to prevent or detect such breaches in security or data and communications errors may adversely affect our operations. If we fail to maintain and continue to enhance our internal controls, policies and systems, we may be unable to prevent fraud, security breaches or system failures. Constant connectivity between our business outlets and the head office is key to the functioning of our business. Our business outlet networks are fully interconnected, and each business outlet is connected to our head office through our proprietary ERP platform. Our ERP platform enables our management to monitor each loan from origination to repayment or recovery of the loan.

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate properly or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled, or if there are other shortcomings or failures in our internal processes or systems, we may suffer financial loss, disruption of our business, regulatory intervention or damage to our reputation.

58. *We have not independently verified certain data in this Draft Shelf Prospectus.*

We have not independently verified data from industry publications contained herein, including the reports titled NBFC Report 2019 prepared by CRISIL, and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, the Indian economy, as well as NBFC and housing finance sectors that are included herein are subject to the caveat that the statistical and other data upon which such discussions, projections and forecasts are based have not been verified by us and may be incomplete, inaccurate or unreliable. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

59. *Our Promoters and certain of our Directors have interests in entities, which are in businesses similar to ours and this may result in potential conflicts of interest with us.*

Certain decisions concerning our operations or financial structure may present conflicts of interest between us, our Promoters and certain of our Directors. Commercial transactions in the future between us and related parties could also result in conflicting interests.

A conflict of interest may occur directly or indirectly between our business and the business of our Promoters which could have an adverse effect on our operations. Conflicts of interest may also arise out of common business objectives shared by us, our Promoters, Directors and their related entities. Our Promoters, Directors and their related entities may compete with us and have no obligation to direct any opportunities to us. There can be no assurance that these or other conflicts of interest will be resolved in an impartial manner.

60. *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 Government.*

The rapid growth in the housing finance industry 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 Government 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 Government 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. The RBI has also provided incentives to the housing finance industry by extending priority sector status to housing loans. In addition, pursuant to Section 36(1)(viii) of the Income Tax Act, 1961, up to 20% of profits from the provision of long-term finance for the construction or purchase of housing, may be carried to a "Special Reserve" and are not subject to income tax. There can be no assurance that the Government will continue to make this fiscal benefit available to housing finance companies. If it does not, this may result in a higher tax outflow. Under its notification no. NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014, NHB stipulated that all housing finance companies are required to create and maintain a deferred tax liability on the Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961. Any changes to government policies in this regard may adversely impact our subsidiary, FIHFC.

RISKS IN RELATION TO THE NCDs

61. *There is no guarantee that the NCDs issued pursuant to this Issue will be listed on the Stock Exchanges in a timely manner, or at all.*

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of NCDs to be submitted. There could be a failure or delay in listing the NCDs on the Stock Exchanges.

62. *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 secured NCD Holders on the assets adequate to ensure 100% asset cover for the secured NCDs, 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 Secured 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 Secured NCDs could expose you to a potential loss.

63. *There has been a limited trading in the NCDs of such nature and the same may not develop in future, therefore the price of the NCDs may be volatile.*

There has been a limited trading in NCDs of such nature in the past. Although the NCDs shall be listed on Stock Exchanges, there can be no assurance that a public market for these NCDs would be available on a sustained basis. The liquidity and market prices of the NCDs can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence market price of NCDs. Such fluctuations may significantly affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which the NCDs are being issued.

Further, the price of our NCDs may fluctuate after this Issue due to a wide variety of factors, including:

- changes in the prevailing interest rate;
- volatility in the Indian and global securities markets;
- our operational performance, financial results and our ability to expand our business;
- developments in India's economic liberalization and deregulation policies, particularly in the power sector;
- changes in India's laws and regulations impacting our business;
- changes in securities analysts' recommendations or the failure to meet the expectations of securities analysts;
- the entrance of new competitors and their positions in the market; and
- announcements by our Company of its financial results.

We cannot assure that an active trading market for our NCDs will be sustained after this Issue, or that the price at which our NCDs are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

64. *Any downgrading in credit rating of our NCDs may affect the trading price of the NCDs.*

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. The NCDs proposed to be issued under this Issue have been rated by CRISIL and ICRA vide their letters dated July 5, 2019 (and revalidated on August 20, 2019 and further revalidated vide revalidation letter dated September 16, 2019) and July 22, 2019 (and revalidated on August 30, 2019) respectively 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 further details on credit rating letter, refer chapter titled '*General Information*' on page 48 of this Draft Shelf Prospectus.

We cannot guarantee that this rating will not be downgraded. The ratings provided by CRISIL or ICRA may be suspended, withdrawn or revised at any time. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations. However, these ratings are not recommendations to buy, sell or hold securities and prospective investors should take their own decisions.

65. *Changes in interest rates may affect the prices of the NCDs.*

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

66. *Payments made on the NCDs will be subordinated to certain tax and other liabilities preferred by law.*

The NCDs will be subordinated to certain liabilities preferred by law such as to claims of the GoI on account of taxes, and certain liabilities incurred in the ordinary course of our transactions. 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. Further, there is no restriction on the amount of debt securities that we may issue that may rank above the NCDs. The issue of any such debt securities may reduce the amount recoverable by investors in the NCDs on our bankruptcy, winding-up or liquidation. For details, see "*Statement of Tax Benefits*" on page 64 of this Draft Shelf Prospectus.

Sales of NCDs by any holder may give rise to tax liability in India. For details, see "*Statement of Tax Benefits*" on page 64 of this Draft Shelf Prospectus.

67. *There are other lenders and debenture trustees who have pari passu charge over the security for the NCDs.*

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. While our Company is required to maintain an asset cover of one time the outstanding amount of the secured NCDs issued pursuant to this Draft Shelf Prospectus and interest thereon, upon our Company's bankruptcy, winding up or liquidation, the other lenders and debenture trustees will rank *pari passu* with the NCD holders and to that extent, may reduce the amounts recoverable by the NCD holders.

68. *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, (iii) withdrawal of the Issue, or (iv) failure to obtain the final approval from the Stock Exchange for listing of the NCDs, will be refunded to you in a timely manner. We however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

69. *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 our various financing activities including lending and investments, subject to applicable statutory and/or regulatory requirements, to repay our existing loans and our business operations including for our capital expenditure and working capital requirements. 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. As we are not required to appoint a monitoring agency, no such agency has been appointed for this Issue.

EXTERNAL RISKS

70. A slow-down in economic growth in India and certain other political and economic factors may adversely affect our business, financial results and results of operations.

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

The Indian economy 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. The Government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. National and local government policies could adversely affect businesses and economic conditions in India.

Any slowdown in the Indian economy could adversely affect the ability of our customers to afford our services, which in turn would adversely affect our business, results of operation and financial condition. Our performance may also 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 commonly 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, which exposes us to the systemic risks faced by entities operating in the Indian financial system, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

71. Terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our NCDs trade and also adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and adversely affect our business, financial condition and results of operations. In addition, any deterioration in relations between India and its neighbouring countries might result in investor concern about stability in the region, which may adversely affect the price of our NCDs.

India has also witnessed civil unrest including communal disturbances and riots in past years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. Such incidents may also create a greater perception that investment in Indian companies involves a higher degree of risk and may have an adverse impact on the price of our NCDs.

72. Natural disasters, outbreak of infectious disease or any other serious public health or safety concerns in India or elsewhere could have an adverse effect on our business and results of operations.

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. For instance, the recent torrential flooding in the state of Kerala has resulted in extensive damage to the existing infrastructure in the state, including damage to the airports, roads, bridges, and housing. Besides the infrastructure sector, the floods could also have an effect on other sectors such as tourism and hospitality, transport, health care, public administration and financial services sectors.

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 operation and financial condition.

73. Any downgrade in India's sovereign debt rating by a rating agency may adversely affect our ability to raise debt financing.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy, which are outside our control. Such downgrading could cause a change in interest rates or other commercial terms and could adversely affect our ability to raise additional financing as well as our capital expenditure plans, business and financial performance. A decline in this reserve could impact the valuation of the Indian Rupee and could result in reduced liquidity and higher interest rates, which could adversely affect the availability of financing to us.

74. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A decline in India's foreign reserves may be attributed, among others, to the RBI offloading USD reserves to contain the depreciation of the Rupee. In light of volatility in exchange rates, there can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors including intervention by the RBI, could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition and results of operations.

75. If inflation were to rise significantly, 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 have been volatile in recent years, and such volatility may continue in the future. As per the RBI the Wholesale Price Index ("WPI"), stood at 121.2 for the month of July 2019, as against 119.9 for the month of July 2018 (*Source: RBI*). The main risks to the outlook are uncertainties such as commodity prices, monsoon and weather-related disturbances, volatility in prices of seasonal items and spill overs from external developments through exchange rate and asset price channels, according to the RBI. In the event of increase in inflation, our costs, such as operating expenses, may increase, which could have an adverse effect on our business, results of operations and financial condition.

76. The new taxation system could adversely affect our business, prospects, financial condition and results of operations.

The Government has implemented a major reform in tax laws, namely the goods and services tax ("GST"), and proposed provisions relating to general anti-avoidance rules ("GAAR"). With effect from July 1, 2017, the GST replaced the indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise, collected by the central and state governments. The GST has increased administrative compliance for the companies which is a consequence of increased registration and form filing requirements.

As regards to GAAR, the provisions were introduced in the Finance Act 2012 and apply (as per the Finance Act, 2015) in respect of an assessment year beginning on April 1, 2018. The GAAR provisions intend to catch arrangements declared as "impermissible avoidance arrangements", which is defined under Section 96 of the Income Tax Act, 1961 as any arrangement, the main purpose of which is to obtain a tax benefit and it: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, which are not ordinarily employed for bona fide purposes. The onus to prove that the transaction is not an "impermissible avoidance agreement" is on the assessee.

As the taxation system is intended to undergo significant changes, the effect of such changes on the financial system cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, prospects, financial condition and results of operations.

77. Our ability to raise foreign debt 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 to us without onerous conditions, if at all. Limitations on raising foreign debt may have an adverse effect on our business.

SECTION III-INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated on August 30, 1994 under the Companies Act, 1956 with the name of 'Dove Finance Limited' with the Registrar of Companies, Chennai. Our Company obtained its certificate of commencement of business on September 15, 1994. In 2005, one of our Promoters, Angelica Investments Pte Ltd, acquired Dove Finance Limited. Post the aforesaid acquisition, the name of our Company was changed to "First India Credit Corporation Limited" with effect from January 6, 2006 which was further changed to "Fullerton India Credit Company Limited" with effect from January 8, 2007. For further details, please see chapter titled '*History, Main Objects and Key Agreements*' on page 125 of this Draft Shelf Prospectus. Angelica Investments Pte Ltd and Fullerton Financial Holdings Pte. Ltd. are the promoters of our Company. Angelica Investments Pte Ltd, Singapore is the wholly owned subsidiary of Fullerton Financial Holdings Pte. Ltd. Fullerton Financial Holdings Pte. Ltd., is a wholly owned subsidiary of Fullerton Management Pte Ltd, which in turn, is a wholly owned subsidiary of Temasek Holdings (Private) Ltd.

Our Company is registered with the RBI as a Systemically Important Deposit Taking Non- Banking Finance Company ("NBFC") and holds a certificate of registration dated May 27, 2011 bearing number A-07-00791 issued by the RBI under section 45 IA of the RBI Act, 1934.

Registered Office

Megh Towers, Third Floor, Old No. 307,
New No. 165, Poonamallee High Road,
Maduravoyal,
Chennai – 600 095, Tamil Nadu
Tel: +91 44- 42886534
E-mail: secretarial@fullertonindia.com
Website: www.fullertonindia.com

Corporate Office

Supreme Business Park,
Floors 5 & 6, B Wing,
Supreme IT Park, Supreme City,
Powai, Mumbai 400 076
Tel: +91 22-67491234
E-mail: secretarial@fullertonindia.com
Website: www.fullertonindia.com

Registration

Corporate Identity Number: U65191TN1994PLC079235 issued by the RoC, Chennai; and
LEI No.: 3358001WFWUXKETNU385

Our Company holds a certificate of registration dated May 27, 2011 bearing number A-07-00791 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934.

Chief Financial Officer

Mr. Pankaj Malik

Supreme Business Park,
Floors 5 & 6, B Wing,
Supreme IT Park, Supreme City,
Powai, Mumbai 400 076.
Tel. No: +91 22 6749 1234
Email: fullertonfinance@fullertonindia.com

Compliance Officer to the Issue and Company Secretary of our Company

The details of the person appointed to act as Compliance Officer for the purposes of this Issue and Company Secretary of our Company is set out below:

Mr. Arun Mulge

Supreme Business Park,
Floors 5 & 6, B Wing,
Supreme IT Park, Supreme City,
Powai, Mumbai 400 076.
Tel. No: +91 22 6749 1234
Email: secretarial@fullertonindia.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 or refund orders.

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 Bidding Centre of the relevant members of the Lead Managers 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 Stock Exchanges Mechanism or through Trading Members may be addressed directly to the Stock Exchange.

Lead Managers

Edelweiss Financial Services Limited

Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Tel: +91 22 4086 3535
Fax: +91 22 -4086 3610
Email: Fullerton.ncd@edelweissfin.com
Investor Grievance Email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Lokesh Singhi
Compliance Officer: Mr. B. Renganathan
SEBI Registration No.: INM0000010650
CIN: L99999MH1995PLC094641

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai 400 020,
Maharashtra, India
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
E-mail: fullerton.ncd@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Rupesh Khant / Arjun A Mehrotra
Compliance Officer: Sonali Chandak
SEBI Registration No: INM000011179
CIN: L67120MH1995PLC086241

A.K. Capital Services Limited

30-38 Free Press House, 3rd Floor,
Free Press Journal Marg, 215,
Nariman Point, Mumbai 400021
Tel: +91 22 6754 6500 / +91 22 6634 9300
Fax: +91 22 6610 0594
Email: fullertonncd2019@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Ms. Aanchal Wagle/Mr. Krish Sanghvi
Compliance Officer: Mr. Tejas Davda
SEBI Registration No.: INM000010411
CIN: L74899MH1993PLC274881

Debenture Trustee:**Catalyst Trusteeship Limited** (formerly GDA Trusteeship Limited)

GDA House, Plot No. 85,
Bhusari Colony (Right),
Kothrud, Pune – 411038
Telephone: + 91 20 2528 0081
Facsimile: + 91 20 2528 0275
Email: dt@ctltrustee.com
Investor Grievance Email: grievance@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Compliance Officer
SEBI Registration No.: IND000000034
CIN: U74999PN1997PLC110262

Registrar:**Link Intime India Private Limited**

C- 101, 1st Floor 247 Park
LBS Marg, Vikhroli (West)
Mumbai 400083, Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
Email: fullertonindia.ncd@linkintime.co.in
Investor Grievance Email: fullertonindia.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
Registration Number: INR000004058
CIN: U67190MH1999PTC118368

Statutory Auditor:

BSR & Co. LLP, Chartered Accountants
5th Floor, Lodha Excelus, Apollo Mills Compound
NM Joshi Marg, Mahalaxmi
Mumbai 400 011
Tel: +91 22 4345 5300
Fax: +91 22 6257 1010
Email: milind@bsraffiliates.com
Firm Registration No.: 101248W/ W-100022
Contact Person: Mr. Milind Ranade

Date of appointment as Statutory Auditor: July 12, 2017

Credit Rating Agencies:

CRISIL LIMITED

CRISIL House, Central Avenue,
Hiranandani Business Park, Powai,
Mumbai 400 076
Tel: +91 22-3342 3000
Fax: +91 22-3342 3050
Email: crisilratingdesk@crisil.com
Website: <https://www.crisil.com>
Contact Person: Mr. Krishnan Sitaraman
SEBI Registration No.: IN/CRA/001/1999

ICRA LIMITED

Electric Mansion, 3rd Floor,
Appasaheb Marathe Marg, Prabhadevi,
Mumbai - 400025
Tel: +91-22-61143406
Fax: +91-22-24332390
Email: shivakumar@icraindia.com
Website: www.icra.in
Contact Person: L Shivakumar
SEBI Registration No: IN/CRA/008/2015

Legal Counsel to the Issue:

Khaitan & Co

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

Bankers to the Issue:

As specified in relevant Tranche Prospectus

Refund Bank:

As specified in relevant Tranche Prospectus

Bankers to our Company

Axis Bank Limited

Address: Jeevan Prakash Building,
Ground Floor, Sir PM Road, Fort,
Mumbai- 400001
Tel: +91 22 4086 7336/7474
Fax: +91 22 4086 7327/7378
Email:
fort.operationshead@axisbank.com
Website: www.axisbank.com
Contact Person: Mr. Mehdial
Abbas Fateh

DBS Bank India Limited

Address: 19th Floor, Express
Tower, Nariman Point, Mumbai
400 021
Tel: +91 022 6638 8888 / 022 6752
8359
Fax: +91 022 6752 8359
Email: amitsawant@dbs.com
Website: www.dbs.com
Contact Person: Mr. Amit
Sawant/Mr. Rohan Ganpule

ICICI Bank Limited

Address: ICICI Bank Limited,
ICICI Bank Towers, Bandra (E),
Mumbai- 400051
Tel: +91 84519 06226
Email: nishith.gour@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Nishith Gour

HDFC Bank Ltd

Address: HDFC Bank Ltd.,
Corporate Banking, Unit Nos. 401
& 402, 4th floor, Tower B,
Peninsula Business Park, Lower
Parel, Mumbai- 400013
Tel: +91 22 3395 8123/ +91 98193
24740
Fax: +91 22 3078 8579
Email:
vijay.gorasia@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Vijay Gorasia

The Hongkong and Shanghai Banking Corporation Ltd

Address: 52/60, MG Road,
Mumbai – 400 011
Tel: +91 022 6628 3709
Email: gauravkripesh@hsbc.co.in
Website: www.hsbc.co.in
Contact Person: Mr. Gaurav
Kripesh

State Bank of India

Address: State Bank of India,
Backbay Reclamation Branch, Free
Press Journal Marg, Mumbai
Tel: +91 22 2274 5830
Fax: +91 22 2204 3252
Email: vijay.m.kulkarni@sbi.co.in
Website: <https://www.sbi.co.in>
Contact Person- AGM & RM

Consortium Members

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 at <http://www.sebi.gov.in/> or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

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

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

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

CRTAs / CDPs

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

Impersonation

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

“Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013”

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least

₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

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 Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Under Section 39(3) of the Companies Act 2013 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 Amount 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 to the Issue, refunds will be made to the account prescribed. However, where our Company and/or Registrar to the Issue do not have the necessary information for making such refunds, our Company and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including in the Debt Application Circular and circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Underwriting

The Issue is not underwritten.

Arrangers to the Issue

There are no arrangers to the Issue.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated 'CRISIL AAA (Stable)' (pronounced as CRISIL triple A rating with stable outlook) for an amount of ₹ 2,00,000 Lakhs, by CRISIL vide their letter dated July 5, 2019 and revalidated vide revalidation letter dated August 20, 2019 and further revalidated vide revalidation letter dated September 16, 2019 and 'ICRA [AAA] (stable)' (pronounced as ICRA triple A rating with stable outlook) for an amount of ₹ 2,00,000 Lakhs, by ICRA vide their letter dated July 22, 2019 and revalidated vide revalidation letter dated August 30, 2019. The rating of NCDs by CRISIL and ICRA indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rating letter and rationale for these ratings, see Annexure A, and Annexure B of 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.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see "*Objects of the Issue*" on page 61 of this Draft Shelf Prospectus.

Issue Programme

ISSUE PROGRAMME*	
ISSUE OPENS ON	As specified in the relevant Tranche Prospectus
ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus

* The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("**Board**") or the Retail Bond Issuance 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 reputed daily national newspaper with wide circulation on or before such earlier or extended date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE and NSE.

Further please note that Application shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, "IST") ("Bidding Period") during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange(s). It is clarified that the Applications not uploaded in the Stock Exchange(s) Platform would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Shelf Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

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

CAPITAL STRUCTURE

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as of July 31, 2019:

(₹)

Authorised share capital	Aggregate value
250,00,00,000 Equity shares of ₹ 10/- each	2500,00,00,000
TOTAL	2500,00,00,000
Issued, subscribed and paid up Equity Share capital	
206,13,65,316 Equity Shares of ₹ 10/- each, fully paid up	20,61,36,53,160
Securities Premium Account	5,72,58,08,674
TOTAL	26,33,94,61,834

There will be no change in the equity capital structure and securities premium account on account of the post the issue and allotment of the NCDs.

Details of change in authorized share capital of our Company as on the date of this Draft Shelf Prospectus for last five years:

There is no Change in authorised share capital of our Company for last five years.

Equity Share capital history of our Company as of July 31, 2019:

The following is the history of the paid-up Equity Share capital of our Company for the last five years as on the date of the Draft Shelf Prospectus:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration in cash/ other than cash	Nature of allotment	Cumulative		Share premium account (₹)
						No. of Equity Shares	Equity Share capital (₹)	
November 13, 2015	6,25,00,000	10	24.00	Cash	Rights Issue to Angelica Investments Pte Ltd	192,11,61,357	1921,16,13,570	87,50,00,000
March 29, 2017	5,89,10,162	10	33.95	Cash	Rights Issue to Angelica Investments Pte Ltd	198,00,71,519	1980,07,15,190	141,08,98,380
September 28, 2018	3,14,26,776	10	47.73	Cash	Rights Issue to Angelica Investments Pte Ltd	201,14,98,295	2011,49,82,950	118,57,32,258
July 12, 2019	4,98,67,021	10	60.16	Cash	Rights Issue to Angelica Investments Pte Ltd	206,13,65,316	2061,36,53,160	250,13,29,773

Note: Out of the total 206,13,65,316 equity shares of our Company, 189,48,15, 162 are held in dematerialised form and 1,66, 55, 0154 are in physical form.

Details of Promoter's shareholding in our Company's subsidiaries as on July 31, 2019:

Our Promoters do not hold any shares in our Company's subsidiaries.

Shareholding of Directors in our Company as on July 31, 2019:

Save and except Ms. Rajashree Nambiar who holds one share as nominee on behalf of Angelica Investments Pte Ltd., there are no other Directors who hold any shares in our Company

Shareholding of directors in our Subsidiaries, Joint Ventures and Associate Companies as on July 31, 2019:

Save and except Ms. Rajashree Nambiar who holds one share as nominee on behalf of our Company in Fullerton India Home Finance Company Limited, our Subsidiary, there are no other Directors who hold any shares in our Subsidiaries. Our Company has no Joint Ventures and Associate Companies.

List of Equity shareholders of our Company as of July 31, 2019:

The following is the shareholding pattern/ list of shareholders of our Company, as of July 31, 2019:

Sr. No.	Name of Equity shareholders	No. of Equity Shares	Amount of Paid-up Capital (₹)	Shareholding (In %)
1.	Angelica Investments Pte Ltd	1,97,61,08,953	19,76,10,89,530	95.86
2.	Fullerton Financial Holding Pte Ltd	8,52,56,357	85,25,63,570	4.14
3.	Mr. Rakesh Makkar jointly with Angelica Investments Pte Ltd*	1	10	Negligible
4.	Ms. Rajashree Nambiar jointly with Angelica Investments Pte Ltd*	1	10	Negligible
5.	Mr. Anil Noronha jointly with Angelica Investments Pte Ltd*	1	10	Negligible
6.	Mr. Pankaj Malik jointly with Angelica Investments Pte Ltd*	1	10	Negligible
7.	Mr. Ekhlauque Bari jointly with Angelica Investments Pte Ltd*	1	10	Negligible
8.	Mr. Sanjeet Dawar jointly with Angelica Investments Pte Ltd*	1	10	Negligible
Total		2,06,13,65,316	20,61,36,53,160	100

* As nominee shareholders on behalf of Angelica Investments Pte Ltd

Details of the top 10 Equity shareholders of our Company as of July 31, 2019:

Sr. No.	Name of Equity shareholders	No. of Equity Shares	Amount of Paid-up Capital (₹)	Shareholding (In %)
1.	Angelica Investments Pte Ltd	1,97,61,08,953	19,76,10,89,530	95.86
2.	Fullerton Financial Holding Pte Ltd	8,52,56,357	85,25,63,570	4.14
3.	Mr. Rakesh Makkar jointly with Angelica Investments Pte Ltd*	1	10	Negligible
4.	Ms. Rajashree Nambiar jointly with Angelica Investments Pte Ltd*	1	10	Negligible
5.	Mr. Anil Noronha jointly with Angelica Investments Pte Ltd*	1	10	Negligible

Sr. No.	Name of Equity shareholders	No. of Equity Shares	Amount of Paid-up Capital (₹)	Shareholding (In %)
6.	Mr. Pankaj Malik jointly with Angelica Investments Pte Ltd*	1	10	Negligible
7.	Mr. Ekhlaque Bari jointly with Angelica Investments Pte Ltd*	1	10	Negligible
8.	Mr. Sanjeet Dawar jointly with Angelica Investments Pte Ltd*	1	10	Negligible
Total		2,06,13,65,316	20,61,36,53,160	100

*As nominee shareholders on behalf of Angelica Investments Pte Ltd.

Top 10 (ten) debenture holders (secured and unsecured) of our Company as of September 20, 2019

Given below are details of the top 10 (ten) debenture holders (secured and unsecured) of our Company as of September 20, 2019

<i>(₹ in Lakhs)</i>		
Sr. No.	Name of Debenture Holders	Amount
1.	State Bank of India	75,000
2.	State Bank of India Mutual Fund	59,560
3.	Deutsche Bank AG	50,000
4.	Postal Life Insurance Fund A/C SBIFMPL	49,500
5.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Corporate Bond Fund	37,000
6.	NPS Trust- A/C SBI Pension Fund Scheme - State Govt	32,590
7.	International Finance Corporation	30,000
8.	IDFC Bank Limited	30,000
9.	DB International (Asia) Ltd	25,000
10.	HDFC Life Insurance Company Limited	25,000
	DBS Bank Limited	25,000
Total		4,38,650

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

Our Promoter, Angelica Investments Pte Ltd, was allotted 4,98,67,021 shares of ₹10 each at a premium of ₹ 50.16 per share on July 12, 2019. Our Directors or their relatives have not sold or purchased any securities of our Company within six months immediately preceding the date of filing of this Draft Shelf Prospectus.

Statement of the aggregate number of securities of our Company and its subsidiaries purchased or sold by our Promoters and the directors of our Promoters, our Directors and/or their relatives within six months immediately preceding the date of filing this Draft Shelf Prospectus.

Our Promoter, Angelica Investments Pte Ltd, was allotted 4,98,67,021 shares of ₹ 10 each of our Company at a premium of ₹ 50.16 per share on July 12, 2019.

Save and except as disclosed above, neither our Promoters nor their directors or relatives have sold or purchased any securities of our Company or our Subsidiaries within six months immediately preceding the date of filing of this Draft Shelf Prospectus

Debt to equity ratio

Particulars	Prior to Issue (As on June 30, 2019)	Post-Issue*
Debts		
Debt Securities	876,854	1,076,854
Borrowings (Other than debt securities)	1,016,444	1,016,444
Subordinated liabilities	108,033	108,033
Total debts (A)	2,001,331	2,201,331
Shareholders' fund		
Share capital	201,150	201,150
Other Equity	185,498	185,498
Total shareholders' funds (B)**	386,648	386,648
Total debt/ equity(A/B)	5.18	5.69

* The debt-equity ratio post the Issue is indicative and is on account of assumed inflow of ₹ 2,00,000 Lakhs from the Issue. The actual debt-equity ratio post the Issue would depend upon the actual position of debt and equity on the date of Allotment.

**On July 12, 2019, 4,98,67,021 equity shares aggregating to ₹ 30,000 Lakhs including share premium were allotted by our Company and have not been included for the calculation in the above table.

Details of change in the promoter holding in our Company during the last financial year beyond 26% (as prescribed by RBI).

NIL

Details of any acquisition or amalgamation or reconstructions in the last one year

NIL

Employee Stock Option Scheme (ESOP):

Our Company has no Employee Stock Option Scheme. Our Company offers Employee Stock Appreciation Rights.

(₹ in Lakhs)

	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 9	Grant 9A	Grant 6A	
Date of Grant	November 30, 2011	April 1, 2013	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016	April 1, 2017	April 1, 2018	April 1, 2019	April 1, 2019	April 1, 2017	
Value of the Grant	556	678	711	635	685	790	805	796	1,334.1	736.2	1,290	
Performance Condition	Achievement of Profit before tax (PBT) and Return on Equity (ROE) targets						Achievement	Achievement	Achievement	Achievement	Achievement	Achievement of specific targets
	As per approved plan						PAT & ROE targets					
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on December 1, 2013	Tranche I: 33% vesting on December 1, 2015	Tranche I: 33% vesting on December 1, 2016	Tranche I: 33% vesting on December 1, 2017	Tranche I: 33% vesting on December 1, 2018	Tranche I: 33% vesting on December 1, 2019	Tranche I: 33% vesting on December 1, 2020	Tranche I: 33% vesting on December 1, 2021	Tranche I: 33% vesting on December 1, 2022	Tranche I: 33% vesting on December 1, 2022	Tranche I: 50% vesting on December 1, 2020	
	Tranche II: 33% vesting on 1st December 2014	Tranche II: 33% vesting on 1st December 2016	Tranche II: 33% vesting on 1st December 2017	Tranche II: 33% vesting on 1st December 2018	Tranche II: 33% vesting on 1st December 2019	Tranche II: 33% vesting on 1st December 2020	Tranche II: 33% vesting on 1st December 2021	Tranche II: 33% vesting on 1st December 2022	Tranche II: 33% vesting on 1st December 2023	Tranche II: 33% vesting on 1st December 2023	Tranche II: 50% vesting on 1st December 2021	

	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 9	Grant 9A	Grant 6A
Date of Grant	November 30, 2011	April 1, 2013	April 1, 2013	April 1, 2014	April 1, 2015	April 1, 2016	April 1, 2017	April 1, 2018	April 1, 2019	April 1, 2019	April 1, 2017
	Tranche III: 34% vesting on 1st December 2015	Tranche III: 34% vesting on 1st December 2017	Tranche III: 34% vesting on 1st December 2018	Tranche III: 34% vesting on 1st December 2019	Tranche III: 34% vesting on 1st December 2020	Tranche III: 34% vesting on 1st December 2021	Tranche III: 34% vesting on 1st December 2022	Tranche III: 34% vesting on 1st December 2023	Tranche III: 34% vesting on 1st December 2024	Tranche III: 34% vesting on 1st December 2024	-
Vesting period (including performance period)	Tranche I: 2 years	Tranche I: 2 years 8 months	Tranche I: 3 years 8 months								
	Tranche II: 3 years	Tranche II: 3 years 8 months	Tranche II: 4 years 8 months								
	Tranche III: 4 years	Tranche III: 4 years 8 months	Tranche III: 5 years 8 months -	-							
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of last vesting except for Grant 1 & 6A where period is 3 years										
Method of Settlement	Cash Payout as per terms of the scheme										

The estimated fair value of the grant at a notional value of ₹ 10 per unit (as at the date of grant) is as below:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 6A
As at March 31, 2019	NA	30.00	30.00	25.84	20.88	16.18	14.47	12.70	14.47
As at March 31, 2018	32.35	23.20	23.20	19.76	15.96	12.54	11.39	NA	11.39
As at March 31, 2017	27.56	19.97	19.97	17.01	13.74	10.89	NA	NA	NA
As at March 31, 2016	24.97	18.22	18.22	15.52	12.54	NA	NA	NA	NA
As at March 31, 2015	19.49	14.53	14.53	12.38	NA	NA	NA	NA	NA
As at March 31, 2014	15.36	11.74	11.74	NA	NA	NA	NA	NA	NA
As at March 31, 2013	12.78	NA	NA	NA	NA	NA	NA	NA	NA
As at March 31, 2012	10.42	NA	NA	NA	NA	NA	NA	NA	NA
Exercise price vest 1	12.78	14.53	18.22	17.01	15.96	NA	NA	NA	NA
Exercise price vest 2	15.36	18.22	19.97	19.76	NA	NA	NA	NA	NA
Exercise price vest 3	19.49	19.97	23.20	NA	NA	NA	NA	NA	NA

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the business and board approved business plan.

The movement of the stock appreciation rights during the year is as under:

Particulars (No. of Options)	As at March 31	
	2019	2018
Options outstanding as at the beginning of the year	26,788,700	23,944,300
Options granted during the year	7,960,000	21,547,500
Options forfeited on resignation of employees	(10,603,055)	(10,160,500)
Options exercised during the year	(2,351,075)	(3,796,475)
Options lapsed during the year	(297,495)	(2,420,000)
Grants of employee transferred during the year to subsidiary company	-	2,326,125
Options Outstanding as at the end of the year	20,600,225	25,582,300
Options vested and exercisable	896,850	1,206,400
Expense recognised (₹ in Lakhs)	795	516

For details of the outstanding borrowing of our Company, please see the section titled “*Financial Indebtedness*” on page 153 of this Draft Shelf Prospectus.

OBJECTS OF THE ISSUE

Our company has filed this Draft Shelf Prospectus for public issue by Fullerton India Credit Company Limited (“**Company**” or the “**Issuer**”) of secured redeemable non-convertible debentures of face value of ₹ 1,000 each (“**NCDs**”) amounting up to ₹ 2,00,000 Lakhs (“**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 a “**Tranche Issue**”), which should be read together with this Draft Shelf Prospectus and the Shelf Prospectus (collectively the “**Offer Documents**”).

Our Company is in the business of financing, and as part of our business operations, we raise/avail funds for onward lending, for repayment/ prepayment of borrowings and general corporate purposes.

1. 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**”). For the purpose of onward lending, financing, refinancing the existing indebtedness of our Company (payment of interest and/or repayment/prepayment of principal of borrowings); 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 Issue is being made pursuant to the provisions of the SEBI Debt Regulations, the Companies Act and rules made thereunder as amended to the extent notified.

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

Sr. No.	Description	Amount
1.	Gross Proceeds of the Issue	As mentioned in the relevant Tranche Prospectus
2.	Less: Issue Related Expenses*	As mentioned in the relevant Tranche Prospectus
3.	Net Proceeds	As mentioned in the relevant Tranche Prospectus

(₹ in Lakhs)

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

Requirement of funds and Utilisation of Net Proceeds

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

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

**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.*

Issue related expenses

The expenses of this Issue include, among others, fees for the Lead Managers, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses for each Tranche Prospectus shall be specified in respective Tranche Prospectus Issue.

Purpose for which there is a requirement of funds

As stated in this section

Funding Plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

Our Management, 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.

General Corporate Purposes

Our Company intends to deploy up to 25% of the amount raised and allotted in the Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors.

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 2019- 20, 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 Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchanges.

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 acquisition of shares of any person who is a part of the same group as our Company or who is under the same management of our Company.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoter, our Directors, KMP, or companies promoted by our Promoter.

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

The Issue Proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as

capital market exposure or any other sectors that are prohibited under the RBI Regulations.

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, the acquisition of any immovable property or acquisition of securities of any other body corporate.

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

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

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

We shall utilize the Issue proceeds only (a) receipt of minimum subscription, i.e. 75% of the Base Issue pertaining to each Tranche Issue; (b) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (c) creation of security; and (d) obtaining Listing and Trading approval as stated in this Draft Shelf Prospectus in the section titled "**Issue Structure**" on page 196 of this Draft Shelf Prospectus. No benefit/interest will accrue to our Promoters/Directors out of the proceeds of the Issue.

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.

Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Variation in terms of contract or objects in Draft Shelf Prospectus

Our Company shall not, in terms of Section 27 of the Companies Act 2013, at any time, vary the terms of a contract referred to in the Draft Shelf Prospectus or objects for which the Draft Shelf Prospectus is issued, except subject to the approval of, or except subject to an authority given by the shareholders in general meeting by way of special resolution and after abiding by all the formalities prescribed in Section 27 of the Companies Act, 2013.

There are no benefit / interest accruing to Promoter/Directors out of the object of the Issue.

STATEMENT OF TAX BENEFITS

The Board of Directors

Fullerton India Credit Company Limited
Floor 6, B Wing, Supreme IT Park
Supreme City, Behind Lake Castle
Powai
Mumbai 400 076

September 30, 2019

Statement of Possible Tax Benefits available to the debenture holders of Fullerton India Credit Company Limited (the 'Company') in connection with the Proposed public issue by Fullerton India Credit Company Limited (the "Company") of Secured, Redeemable, Non-Convertible Debentures of face value of ₹ 1,000 each aggregating upto ₹ 20,000 million (the "NCDs") through one or more tranches (the "Issue")

Dear Sirs/Madam,

We, B S R & Co. LLP, Chartered Accountants, hereby report that the enclosed statement states the possible tax benefits available to the debenture holders of **the Company** under the Income-tax Act, 1961 ('the Act') presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which based on business imperatives it faces in the future, it may not choose to fulfil.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or its own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We do not express any opinion or provide any assurance as to whether:

- i) the debenture holders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been / would be met with.

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

Yours faithfully,

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Milind Ranade

Partner

Membership No: 100564

UDIN Number:

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE ITS DEBENTURE HOLDERS

ANNEXURE: STATEMENT OF TAX BENEFITS

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

Under the existing provisions of law, the following tax benefits, inter-alia, will be available to its Debenture Holder(s). The tax benefits are given as per provisions of Income-tax Act, 1961 ('the Act') presently in force in India¹ The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian 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 the debenture.

Further, the notes given at the end of this statement are an integral part of this statement. The provisions specified in this statement are required to be necessarily read along with the notes to determine the applicable tax rate (including surcharge and cess).

Several of these benefits are dependent on the debenture holders, fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon fulfilling such conditions, which the Debenture holder may or may not choose to fulfill.

The Debenture Holder is advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

I. TO THE RESIDENT DEBENTURE HOLDER

Interest on NCD

1. Interest received by Debenture Holder(s) 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 rate of 10% 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 the following:
 - (a) On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.(w.e.f. 01.06.2008).
 - (b) In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF'), Debenture Holder does not or is not likely to exceed Rs 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.
 - (c) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.
 - (d) (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A)

¹ Including the amendments made in the Finance (No. 2) Act, 2019 and the Income-tax Act, 1961 pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on 20 September 2019.

of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, "Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the nature of income referred in section 197(1) or section 197(1A) such as dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India etc. as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax". For the meaning of 'the maximum amount which is not chargeable to income tax, kindly refer Para X (point a) below.

(ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.

(iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act.

Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.

2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct/ apply surcharge, health and education cess.

Classification of gains on transfer

3. In case the 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. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be depending whether the same is held as Stock in trade or investment. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para VI below) and hold such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head "Income from other sources", where debentures are held as investments or under the head "Profits and gains of Business or Profession" where debentures are held as trading asset / stock in trade.

Capital gains and other general provisions

4. As per the provisions of section 2(29A) of the I.T. Act, 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. In all other cases, it is 36 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 securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration. However, as per the fourth proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in

case of bonds and debenture, except capital indexed bonds. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10%, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.

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.

5. 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 would also apply to such short term capital gains.
6. As per Section 74 of the I.T. Act, short-term capital loss on debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

II. TO MUTUAL FUNDS

As per the provisions of Section 10(23D) of the I.T. Act, all mutual funds registered under Securities and Exchange Board of India or set up by public sector banks/ public financial institutions or authorised by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures subject to and in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

Separately, as per the provisions of section 115R of the I.T. Act, any amount of income distributed by a Mutual Fund to its unit holders shall be chargeable to tax and the Mutual Fund is liable to pay income-tax on such distributed income at the prescribed rates.

III. TO THE FOREIGN INSTITUTIONAL INVESTORS (FIIS/FPIS)

1. As per Section 2(14) of the I.T. Act, any securities held by FIIs/FPIS² which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
2. As per the provisions of section 2(29A) of the I.T. Act, 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. In all other cases, it is 36 months immediately preceding the date of its transfer.

² The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

3. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs/FPIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.
4. In the regular course, interest is subject to tax at the rate of 20%. However, section 194LD of the I.T. Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs/FPIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June 1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified³ by the Government. Further, as per the proviso to section 115AD(1) of the I.T. Act, income by way of interest referred to in section 194LD of the I.T. Act is taxed at the rate of 5%.
5. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs/FPIs.

III. TO THE NON-RESIDENT INDIAN DEBENTURE HOLDER – SPECIAL PROVISIONS

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

Interest on NCD and capital gains on transfer

- (a) Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.

Exemption from long-term capital gains

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

Other relaxations

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

³ Refer Notification No. 56/2013 [F.No.149/81/2013-TPL]/SO 2311(E), dated 29-7-2013. As per the said Notification, in case of bonds issued on or after the 1st day of July, 2010, the rate of interest shall not exceed 500 basis points (bps) over the Base Rate of State Bank of India applicable on the date of issue of the said bonds.

- (d) Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
2. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian ***may opt not to be governed*** by the provisions of Chapter XII-A of the I.T. Act. In that case, the general provisions applicable to non-residents would apply.
3. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income, 10% on any long-term capital gains (as per Section 115E of the I.T. Act) and at the normal rates on any gains if the payee Debenture Holder is a Non-Resident Indian.

IV. TO NON-RESIDENT DEBENTURE HOLDER –GENERAL

1. Under the general provisions applicable to non-resident investors, the applicable tax rates are as under:
- (a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.

Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act.

2. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 10% on long-term capital gains and at the normal rates on investment income and on Short Term Capital Gains if the payee Debenture Holder is a Non-Resident.
3. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.
4. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Taxation Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the I.T. Act or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. Further, such non-resident investor would also be required to furnish Form 10F along with TRC, if such TRC does not contain information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013.
5. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.
6. Where, 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. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para VI below) and hold such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head “Income from other sources” where debentures are held as investments or under the head “Profits and gains of Business or Profession” where debentures are held as trading asset / stock in trade.

V. GENERAL ANTI-AVOIDANCE RULE ('GAAR')

In terms of Chapter XA of the I.T. Act, GAAR may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be an impermissible avoidance arrangement as defined in that Chapter and the consequence would be inter alia denial of tax benefit, applicable w.e.f 1-04-2017. The GAAR provisions can be said to be not applicable in certain circumstances as enumerated in Chapter XA of the I.T. Act.

1

VI. EXEMPTION UNDER SECTIONS 54EE AND 54F OF THE I.T. ACT

Exemptions may be claimed from taxation of LTCG if investments in certain specified securities/assets is made subject to fulfillment of certain conditions. The following exemptions may be available to the debenture holders:

- (a) Section 54EE of the Act exempts long-term capital gains on transfer of long term capital assets if the gains upto Rs. 50 lacs are invested in “long term specified assets” (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

- (b) Section 54F of the Act exempts long-term capital gains on transfer of long term capital assets, held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within specified timelines and subject to conditions prescribed therein.

VII. REQUIREMENT TO FURNISH PAN UNDER THE I.T. ACT

1. *Sec.139A(5A)*

Section 139A(5A) requires every person from whose income tax is to be deducted at source to furnish his PAN* to the person responsible for deduction of tax at source.

2. *Sec.206AA*

(a) Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIIB (‘deductee’) to furnish his PAN* to the deductor, failing which tax shall be deducted at the highest of the following rates:

- (i) at the rate in force 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**

**The Act has been amended by The Finance (No.2) Act, 2019 to provide that every person who is required to furnish or intimate or quote his permanent account number under this Act, and who has not been allotted a permanent account number but possesses the Aadhaar number, may furnish or intimate or quote his Aadhaar number in lieu of the permanent account number, and such person shall be allotted a permanent account number in such manner as may be prescribed;*

However, new rule 37BC of the Income Tax Rules provides that the provisions of section 206AA of the I.T Act shall not apply on payments made to non-resident deductees who do not have PAN in India. The non-resident deductee in this regard, shall be required to furnish few prescribed details inter alia name, email-ID, contact number, certificate of his being resident in that country and Tax Identification Number (TIN).

- (b) A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN** in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.

*** The Act has been amended by The Finance (No.2) Act, 2019 to provide that every person who is required to furnish or intimate or quote his permanent account number under this Act, and who has not been allotted a permanent account number but possesses the Aadhaar number, may furnish or intimate or quote his Aadhaar number in lieu of the permanent account number, and such person shall be allotted a permanent account number in such manner as may be prescribed;*

- (c) Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply apart from any penal consequences.

VIII. 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:

- (i) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
- (ii) 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 Act.

Further, the mechanism for computing the fair market value has been prescribed in Rule 11U and Rule 11UA of the Income Tax Rules, 1962.

IX. GENERAL TAX RATES

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Rates applicable to different categories of assesses:

- a) The slab rates applicable to individuals/HUF/Association of Persons (AOP)/Body of Individuals (BOI)/ Artificial Juridical Person are as under:

Slabs	% of Income Tax
-------	-----------------

Up to Rs. 2.5 lacs (Basic exemption limit/ Maximum amount not chargeable to tax)	Nil
From Rs. 2.5 lacs to Rs. 5 lacs	5% of the amount by which the total income exceeds Rs. 2.5 lacs
From Rs. 5 lacs to Rs. 10 lacs	Rs. 12,500 plus 20% of the amount by which the total income exceeds Rs. 5 lacs
Above Rs. 10 lacs	Rs. 1,12,500 plus 30% of the amount by which the total income exceeds Rs. 10 lacs.

Basic exemption limit/ Maximum amount not chargeable to tax for resident senior citizens of 60 years but below 80 years of age is Rs. 3 lacs and for resident senior citizens of 80 years of age or more is Rs. 5 lacs.

An individual resident, whose total income does not exceed Rs. 5,00,000, shall be eligible for a rebate of amount of income-tax payable on the total income for any assessment year or Rs 12,500 whichever is less.

3 SURCHARGE AND CESS

The rates of surcharge applicable to various assesseees are provided as under:

Particulars (taxability of Capital Gains which is governed by section 115AD or 111A or 112A of the Act)	If total income does not exceed Rs. 50 lakh	If total income exceeds Rs. 50 lakh but doesn't exceed Rs. 1 crore	If total income exceeds Rs. 1 crore
Individuals / HUF/ AOP/ BOI/ Artificial Juridical Person	Nil	10%	15%

Particulars (Income other than income mentioned in the above table)	If total income does not exceed Rs. 50 lakh	If total income exceeds Rs. 50 lakh but doesn't exceed Rs. 1 crore	If total income exceeds Rs. 1 crore but doesn't exceed Rs. 2 crore	If total income exceeds Rs. 2 crore but doesn't exceed Rs. 5 crore	If total income exceeds Rs. 5 crore
Individuals /HUF/ AOP/ BOI/ Artificial Juridical Person	Nil	10%	15%	25%	37%

Over and above the surcharge, 'Health and Education Cess' at the rate of 4% on tax (including surcharge) is payable by all taxpayers persons.

b) Rates applicable to other categories of assesses:

Assessee	% of Income Tax
Partnership Firm (including Limited Liability Partnership)	30%
Local Authority	30%
Domestic Company	30% *
Foreign Company	40%

* The Taxation Laws (Amendment) Ordinance, 2019 has prescribed the following tax rates for Domestic Companies as follows:

Type of Company	Any Domestic Company	Any new domestic company incorporated on or after 1 October 2019 for manufacturing	A company which does not opt for the concessional tax regime	A company which does not opt for the concessional tax regime
Conditions	Company will not avail any exemption/incentive.	Company will not avail any exemption/incentive and commences manufacturing on or before 31 March 2023	Turnover does not exceed Rs. 400 crore in FY 17-18	Turnover exceeds Rs. 400 crore in FY 17-18
Basic Rate of Tax	22%	15%	25%	30%
Surcharge	10%	10%	Refer table below	Refer table below

Surcharge and cess

The rates of surcharge applicable to various assesseees are provided as under:

Particulars	If total income does not exceed Rs. 1 crore	If total income exceeds Rs. 1 crore but doesn't exceed Rs. 10 Crore	If total income exceeds Rs. 10 crore
Domestic Companies	Nil	7%	12%
Other than Domestic Companies	Nil	2%	5%
Firms (including LLP)	Nil		12%
Local Authority	Nil		12%

Over and above the surcharge, 'Health and Education Cess' at the rate of 4% on tax (including surcharge) is payable by all taxpayers persons.

4 NOTES

1. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.

2. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds. Further, several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
3. This statement is intended only to provide general information to the Debenture Holder(s) and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
4. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile. For taxes paid in India, the same could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.
6. Interest on application money 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.
7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV-ABOUT OUR COMPANY

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section has been obtained or derived from the report on “NBFC Report 2019” by CRISIL (the “CRISIL Report”) as well as other industry sources and government publications. All information contained in the CRISIL Report has been obtained by CRISIL from sources believed by them to be accurate and reliable. Although reasonable care has been taken by CRISIL to ensure that the information in the CRISIL Report is true, such information is provided ‘as is’ without any warranty of any kind, and CRISIL in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. All information contained herein must be construed solely as statements of opinion. None of the Company, the Lead Managers and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. The information in this section must be read in conjunction with “*Risk Factors*” and “*Our Business*” on pages 19 and 93, respectively of this Draft Shelf Prospectus.

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OVERVIEW OF ECONOMY

Global Economy

Global Growth remains subdued and is forecasted at 3.2% in 2019, picking up to 3.5 % in 2020. GDP releases so far this year, together with generally softening inflation, point to weaker-than anticipated global activity. Since the April, the United States further increased tariffs on certain Chinese imports and China retaliated by raising tariffs on a subset of US imports. Additional escalation was averted following the June G20 summit. Global technology supply chains were threatened by the prospect of US sanctions, Brexit related uncertainty continued, and rising geopolitical tensions roiled energy prices. Investment and demand for consumer durables have been subdued across advanced and emerging market economies as firms and households continue to hold back on long-term spending. Accordingly, global trade, which is intensive in machinery and consumer durables, remains sluggish. The projected growth pickup in 2020 is precarious, presuming stabilization in currently stressed emerging market and developing economies and progress toward resolving trade policy differences.

(Source - <https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019>)

Risks to the forecast are mainly to the downside. They include further trade and technology tensions that dent sentiment and slow investment; a protracted increase in risk aversion that exposes the financial vulnerabilities continuing to accumulate after years of low interest rates; and mounting disinflationary pressures that increase debt service difficulties, constrain monetary policy space to counter downturns, and make adverse shocks more persistent than normal

Against a difficult backdrop that included intensified US-China trade and technology tensions as well as prolonged uncertainty on Brexit, momentum in global activity remained soft in the first half of 2019. There were positive surprises to growth in advanced economies, but weaker-than-expected activity in emerging market and developing economies. Growth was better than expected in the United States and Japan, and one-off factors that had hurt growth in the euro area in 2018 (notably, adjustments to new auto emissions standards) appeared to fade as anticipated. Among emerging market and developing economies, first quarter GDP in China was stronger than forecast, but indicators for the second quarter suggest a weakening of activity. Elsewhere in emerging Asia, as well as in Latin America, activity has disappointed.

With subdued final demand and muted inflation, accommodative monetary policy is appropriate in advanced economies and in emerging market and developing economies where expectations are anchored. Fiscal policy should balance multiple objectives: smoothing demand as needed, protecting the vulnerable, bolstering growth potential with spending that supports structural reforms, and ensuring sustainable public finances over the medium term. If growth weakens relative to the baseline, macroeconomic policies will need to turn more accommodative, depending on country circumstances. Priorities across all economies are to enhance inclusion, strengthen resilience, and address constraints on potential output growth.

(Source - <https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019>)

Global Growth Outlook

Global growth is projected at 3.2 percent for 2019, improving to 3.5 percent in 2020 (0.1 percentage point lower for both years than in the April 2019 WEO forecast). On the trade front, the forecast reflects the May 2019 increase of US tariffs on \$200 billion of Chinese exports from 10 percent to 25 percent, and retaliation by China. The downgrades to the growth forecast for China and emerging Asia are broadly consistent with the simulated impact of intensifying trade tensions and associated confidence effects

The projected pickup in global growth in 2020 relies importantly on several factors: (1) financial market sentiment staying generally supportive; (2) continued fading of temporary drags, notably in the euro area; (3) stabilization in some stressed emerging market economies, such as Argentina and Turkey; and (4) avoiding even sharper collapses in others, such as Iran and Venezuela. About 70 percent of the increase in the global growth forecast for 2020 relative to 2019 is accounted for by projected stabilization or recovery in stressed economies. In turn, these factors rely on a conducive global policy backdrop that ensures the dovish tilt of central banks and the buildup of policy stimulus in China are not blunted by escalating trade tensions or a disorderly Brexit.

For advanced economies, growth is projected at 1.9 percent in 2019 and 1.7 percent in 2020. The 2019 projection is 0.1 percentage point higher than in April, mostly reflecting an upward revision for the United States.

The emerging market and developing economy group is expected to grow at 4.1 percent in 2019, rising to 4.7 percent in 2020. The forecasts for 2019 and 2020 are 0.3 and 0.1 percentage point lower, respectively, than in April, reflecting downward revisions in all major regions

(Source - <https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019>)

Overview of the World Economic Outlook Projections

Table 1. Overview of the World Economic Outlook Projections
(Percent change, unless noted otherwise)

	Year over Year						Q4 over Q4 2/		
	2017	2018	Projections		Difference from April 2019 WEO Projections 1/		2018	Projections	
			2019	2020	2019	2020		2019	2020
World Output	3.8	3.6	3.2	3.5	-0.1	-0.1	3.3	3.4	3.5
Advanced Economies	2.4	2.2	1.9	1.7	0.1	0.0	2.0	1.8	1.8
United States	2.2	2.9	2.6	1.9	0.3	0.0	3.0	2.3	1.9
Euro Area	2.4	1.9	1.3	1.6	0.0	0.1	1.2	1.6	1.5
Germany 3/	2.2	1.4	0.7	1.7	-0.1	0.3	0.6	1.2	1.2
France	2.3	1.7	1.3	1.4	0.0	0.0	1.2	1.3	1.4
Italy	1.7	0.9	0.1	0.8	0.0	-0.1	0.0	0.5	0.9
Spain	3.0	2.6	2.3	1.9	0.2	0.0	2.3	2.1	1.9
Japan	1.9	0.8	0.9	0.4	-0.1	-0.1	0.3	0.2	1.4
United Kingdom	1.8	1.4	1.3	1.4	0.1	0.0	1.4	1.2	1.6
Canada	3.0	1.9	1.5	1.9	0.0	0.0	1.6	1.8	1.7
Other Advanced Economies 4/	2.9	2.6	2.1	2.4	-0.1	-0.1	2.3	2.4	2.4
Emerging Market and Developing Economies	4.8	4.5	4.1	4.7	-0.3	-0.1	4.5	4.8	4.9
Commonwealth of Independent States	2.2	2.7	1.9	2.4	-0.3	0.1	3.1	2.2	1.4
Russia	1.6	2.3	1.2	1.9	-0.4	0.2	2.9	2.0	1.0
Excluding Russia	3.5	3.9	3.5	3.7	0.0	0.0	...	...	...
Emerging and Developing Asia	6.6	6.4	6.2	6.2	-0.1	-0.1	6.0	6.3	6.1
China	6.8	6.6	6.2	6.0	-0.1	-0.1	6.4	6.1	5.9
India 5/	7.2	6.8	7.0	7.2	-0.3	-0.3	5.8	7.7	7.1
ASEAN-5 6/	5.3	5.2	5.0	5.1	-0.1	-0.1	5.2	5.0	5.3
Emerging and Developing Europe	6.1	3.6	1.0	2.3	0.2	-0.5	0.7	1.4	3.3
Latin America and the Caribbean	1.2	1.0	0.6	2.3	-0.8	-0.1	0.3	1.0	2.1
Brazil	1.1	1.1	0.8	2.4	-1.3	-0.1	1.1	1.3	2.5
Mexico	2.1	2.0	0.9	1.9	-0.7	0.0	1.6	1.3	1.6
Middle East, North Africa, Afghanistan, and Pakistan	2.1	1.6	1.0	3.0	-0.5	-0.2	...	...	...
Saudi Arabia	-0.7	2.2	1.9	3.0	0.1	0.9	3.6	2.4	2.8
Sub-Saharan Africa	2.9	3.1	3.4	3.6	-0.1	-0.1	...	...	...
Nigeria	0.8	1.9	2.3	2.6	0.2	0.1	...	...	...
South Africa	1.4	0.8	0.7	1.1	-0.5	-0.4	0.2	1.0	0.3
Memorandum									
Low-income Developing Countries	4.7	4.9	4.9	5.1	-0.1	0.0	...	...	...
World Growth Based on Market Exchange Rates	3.2	3.0	2.7	2.9	0.0	0.0	2.8	2.7	2.8
World Trade Volume (goods and services) 7/	5.5	3.7	2.5	3.7	-0.9	-0.2	...	...	...
Advanced Economies	4.4	3.1	2.2	3.1	-0.6	0.0	...	...	...
Emerging Market and Developing Economies	7.4	4.7	2.9	4.8	-1.4	-0.3	...	...	...
Commodity Prices (US dollars)									
Oil 8/	23.3	29.4	-4.1	-2.5	9.3	-2.3	9.5	4.3	-7.0
Nontfuel (average based on world commodity import weights)	6.4	1.6	-0.6	0.5	-0.4	-0.6	-1.8	2.5	0.6
Consumer Prices									
Advanced Economies	1.7	2.0	1.6	2.0	0.0	-0.1	1.9	1.9	1.8
Emerging Market and Developing Economies 9/	4.3	4.8	4.8	4.7	-0.1	0.0	4.2	4.1	4.0
London Interbank Offered Rate (percent)									
On US Dollar Deposits (six month)	1.5	2.5	2.4	2.3	-0.8	-1.5	...	...	...
On Euro Deposits (three month)	-0.3	-0.3	-0.3	-0.3	0.0	-0.1	...	...	...
On Japanese Yen Deposits (six month)	0.0	0.0	0.0	0.0	0.0	0.0	...	...	...

Note:

1. Real effective exchange rates are assumed to remain constant at the levels prevailing during April 26–May 24, 2019. Economies are listed on the basis of economic size.
2. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook. 1/ Difference based on rounded figures for the current and April 2019 World Economic Outlook forecasts. Countries whose forecasts have been updated relative to April 2019 World Economic Outlook forecasts account for 90 percent of world GDP measured at purchasing-power-parity weights.
3. For world output, the quarterly estimates and projections account for approximately 90 percent of annual world GDP measured at purchasing-power-parity weights. For emerging market and developing economies, the quarterly estimates and projections account for approximately 80 percent of annual emerging market and developing economies' GDP measured at purchasing-power-parity weights.
4. Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.
5. For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with FY2011/12 as a base year.
6. Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average price of oil in US dollars a barrel was \$68.33 in 2018; the assumed price, based on futures markets (as of May 28, 2019), is \$65.52 in 2019 and \$63.88 in 2020. 9/ Excludes Venezuela.

(Source - <https://www.imf.org/en/Publications/WEO/Issues/2019/07/18/WEOupdateJuly2019>)

Macroeconomic view of the Indian Economy

As per Indian Economic Survey 2018-2019, Growth of the Indian economy moderated in 2018-19 with a growth of 6.8 per cent, slightly lower than 7.2 per cent in 2017-18. Yet, India continued to be the fastest growing major economy in the world. India maintained its macroeconomic stability by containing inflation within 4 per cent and by maintaining a manageable current account deficit to GDP ratio. The current account deficit to GDP was higher in 2018-19 as compared to 2017-18, primarily due to higher oil prices, which were about 14 \$/bbl higher in 2018-19 vis-à-vis the previous year. However, the current account deficit started to narrow in the third quarter of the year.

The manufacturing sector was characterized by higher growth in 2018-19 while the growth in agriculture sector witnessed tapering. Growth in investment, which had slowed down for many years, has bottomed out and has started to recover since 2017-18. In fact, growth in fixed investment picked up from 8.3 per cent in 2016-17 to 9.3 per cent in 2017-18 and further to 10.0 per cent in 2018-19. Net FDI inflows grew by 14.2 per cent in 2018-19. Capital expenditure of Central Government grew by 15.1 per cent in 2018-19 leading to increase in share of capital expenditure in total expenditure. Given the macroeconomic situation and the structural reforms being undertaken by the government, the economy is projected to grow at 7 per cent in 2019-20.

Table 0.1 : Key Indicators

Data categories	Unit	2015-16	2016-17	2017-18	2018-19
GDP and Related Indicators					
GDP at current market prices	₹ Crore	13771874	15362386	17095005	19010164 ^a
GDP at constant market prices	₹ Crore	11369493	12298327	13179857	14077586 ^a
Growth Rate	(per cent)	8.0	8.2	7.2	6.8 ^a
GVA at constant basic prices	₹ Crore	10491870	11318972	12104165	12906936 ^a
Growth Rate	(per cent)	8.0	7.9	6.9	6.6 ^a
Gross Savings	% of GDP	31.1	30.3	30.5	NA
Gross Capital Formation	% of GDP	32.1	30.9	32.3	NA
Per Capita Net National Income (at current prices)	₹	94797	104659	114958	126406 ^a

(Source - https://www.indiabudget.gov.in/economicssurvey/doc/vol2chapter/echap01_vol2.pdf)

The growth pattern within the various quarters of 2018-19, we note that the moderation in real GDP growth has been experienced in all quarters of 2018- 19 with the fourth quarter (Q4) registering a growth of 5.8 per cent. The base effect arising from a high growth of 8.1 per cent in the Q4 of 2017-18 also led to this lower growth in Q4 of 2018-19. In this quarter, election related uncertainty may have also contributed to growth moderation.

There was contraction in 'Agriculture & allied' sector in the last quarter of 2018-19, though growth was reasonable in the previous. Growth deceleration in the manufacturing sector This is also seen in Index of Industrial Production (IIP) of manufacturing sector, which grew at 0.3 per cent in Q4 of 2018-19, as compared to 7.5 per cent in the same quarter of previous year. Manufacturing sector was affected by the slowdown in the auto sector as well, where the production growth for all categories, apart from commercial vehicles declined in 2018- 19, as compared to 2017-18. Sales growth decelerated in many segments of the automobile sector, including passenger vehicles, tractor sales, three and two wheeler sales. Stress in Non-Banking Financial Companies (NBFC) sector also contributed to the slow down by adversely impacting consumption finance. Despite the moderation of manufacturing growth within 2018-19, overall growth in the year was higher than in 2017-18, due to a high growth of 12.1 per cent in first quarter of 2018-19.

Table 1: Quarter-wise growth in Gross Value Added (per cent)

	2017-18				2018-19			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Agriculture and allied	4.2	4.5	4.6	6.5	5.1	4.9	2.8	-0.1
Industry	0.8	6.9	8.0	8.1	9.8	6.7	7.0	4.2
(of which) Manufacturing	-1.7	7.1	8.6	9.5	12.1	6.9	6.4	3.1
Services	9.4	6.8	8.0	8.2	7.1	7.3	7.2	8.4
GVA at basic prices	5.9	6.6	7.3	7.9	7.7	6.9	6.3	5.7
GDP at market prices	6.0	6.8	7.7	8.1	8.0	7.0	6.6	5.8

Source: Central Statistics Office

(Source - https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf)

Growth Outlook of Indian Economy

The year 2019-20 has delivered a huge political mandate for the government, which augurs well for the prospects of high economic growth. Real GDP growth for the year 2019-20 is projected at 7 per cent, reflecting a recovery in the economy after a deceleration in the growth momentum throughout 2018-19. The growth in the economy is expected to pick up in 2019-20 as macroeconomic conditions continue to be stable while structural reforms initiated in the previous few years are continuing on course. However, both downside risks and upside prospects persist in 2019-20.

Investment rate, which was declining from 2011-12 seems to have bottomed out. It is expected to pick up further in the year 2019-20 on the back of higher credit growth and improved demand. There are signs of continuing resolution of stressed assets in the banking sector as reflected in decline in NPA to gross advances ratio as on December 2018, which should push the capex cycle. Rural wages growth which was declining seems to have bottomed out and has started to increase since mid-2018. Further growth in rural wages should help spur rural demand. The condition of minimum land holding has been subsequently removed to benefit all farmers. This cash transfer scheme will also increase the rural incomes. The oil prices increased in 2018-19 by around 14 \$/bbl. However, oil prices are expected to decline in 2019-20 from the current level (based on the oil futures price for 2019-20). This should provide a positive push to consumption

However, downside risks to consumption remain. The extent of recovery in farm sector and farm prices will decide the push to rural consumption, which is also dependent on the situation of monsoon. The meteorological department has predicted that the rainfall over the country as a whole is likely to be near normal this year. This should lead to improvement in agriculture sector growth. However, according to IMD, some regions are expected to receive less than normal rains. This could prove to be detrimental for crop production in certain affected areas. If the impact of stress in the NBFC sector spills over to this year as well, it may lead to lower credit offtake from NBFCs, which may dampen growth in consumption spending. 4 Prospects of export growth remain weak for 2019-20 if status quo is maintained.

On balance, the prospects of the economy should improve with growth of the economy expected to be 7 per cent in 2019-20.

(Source - https://www.indiabudget.gov.in/economicsurvey/doc/vol2chapter/echap01_vol2.pdf)

An overview of NBFCs

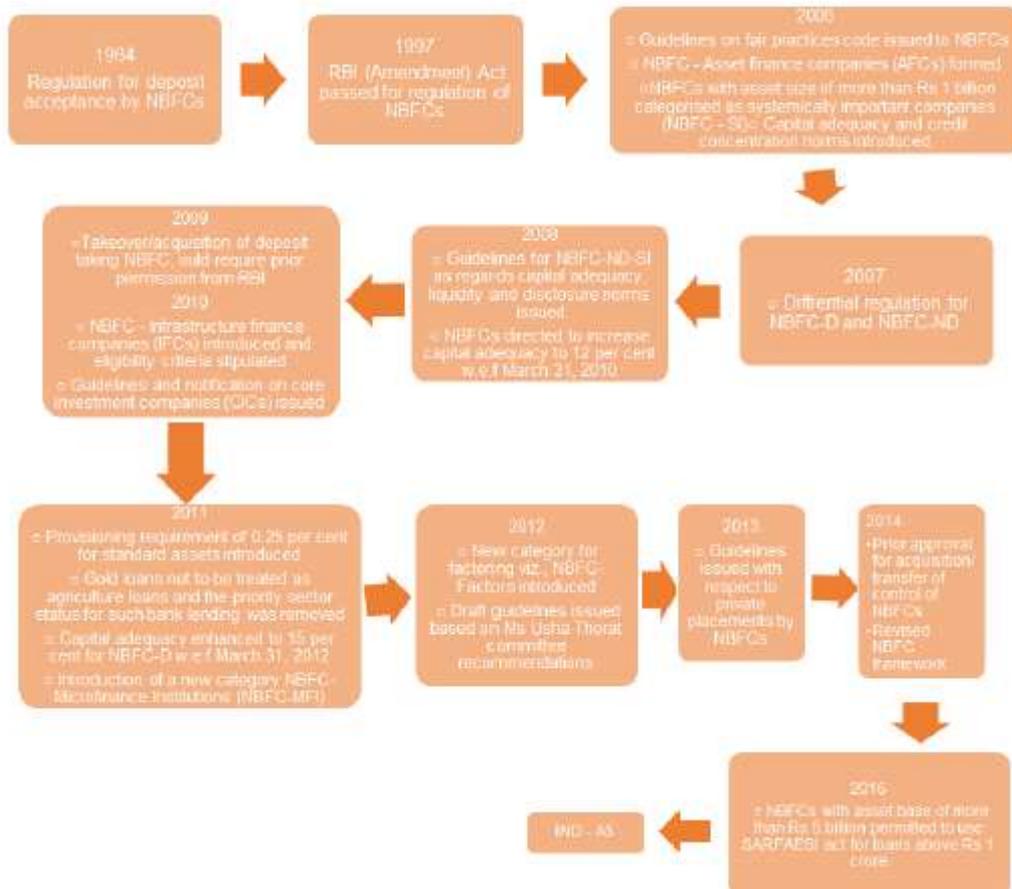
Regulatory environment for NBFCs

NBFCs have been part of the informal loan disbursement setup since several decades in India. However, there were various complaints from investors relating to NBFCs dubious functioning and loss to depositors. This threw up challenges for policymakers and regulators to integrate NBFCs within the overall prudential regulatory framework of the financial system.

Amendments to the RBI Act in 1997 bestowed comprehensive powers on the RBI to regulate and supervise NBFCs. Prominent features of the amendments include:

- Making it mandatory for NBFCs to obtain certificate of registration from the RBI and maintain a minimum level of net owned funds (NoF)
- Requiring deposit-taking NBFCs to maintain a certain percentage of assets in unencumbered approved securities
- Empowering the RBI to determine policy and issue directions with respect to income recognition, accounting standards, etc
- Empowering the RBI to order special audit of NBFCs

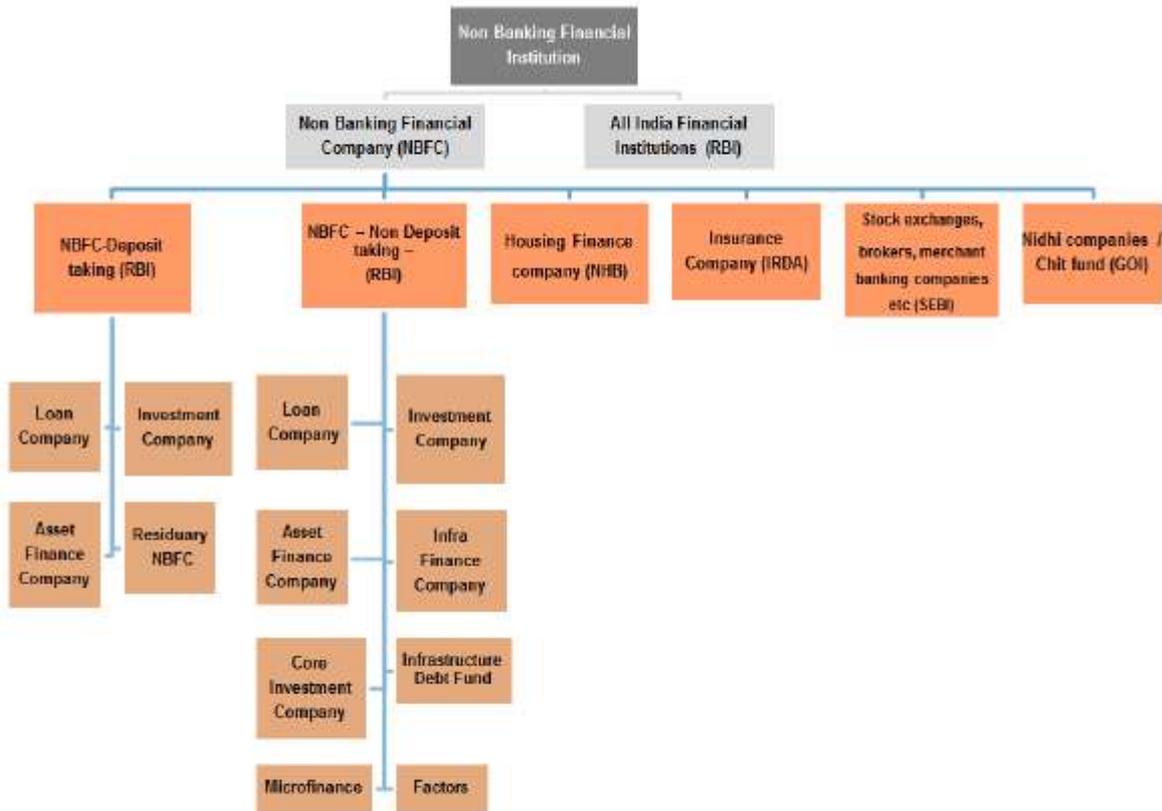
Regulatory evolution of NBFCs



Source: RBI, CRISIL Research

Non-banking financial institutions structure in India

Non-banking financial institutions structure in India



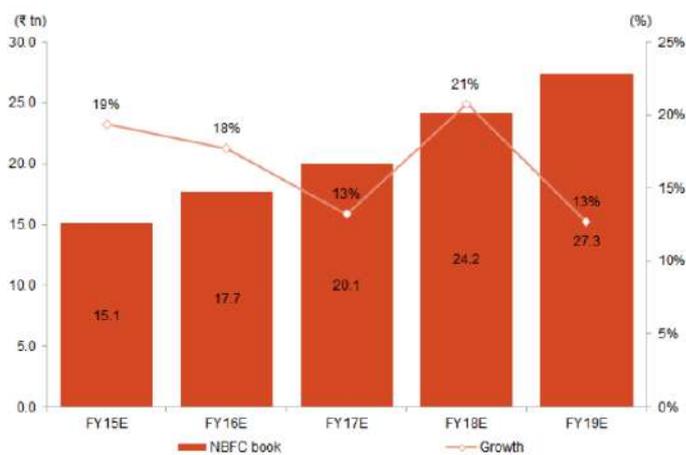
Note: The regulatory authority for the respective institution is indicated within the brackets. All-India financial institutions including NABARD, SIDBI and EXIM Bank

Source: RBI, CRISIL Research

NBFC – INDUSTRY AND GROWTH TRENDS

NBFCs' loan book witnessed a growth of 17% CAGR from fiscal 2014 to fiscal 2019, amounting to ₹ 27.30 trillion. NBFCs grew at a strong pace in the first half of fiscal 2019, up 17% on-year. However, the default of IL&FS in mid-September 2018 created a panic, and investor/lender confidence in funding NBFCs declined. Further, with the tight liquidity conditions and higher risk perception to the sector, raising funds remains challenging. This led to a sharp slowdown in their growth in the second half of fiscal 2019.

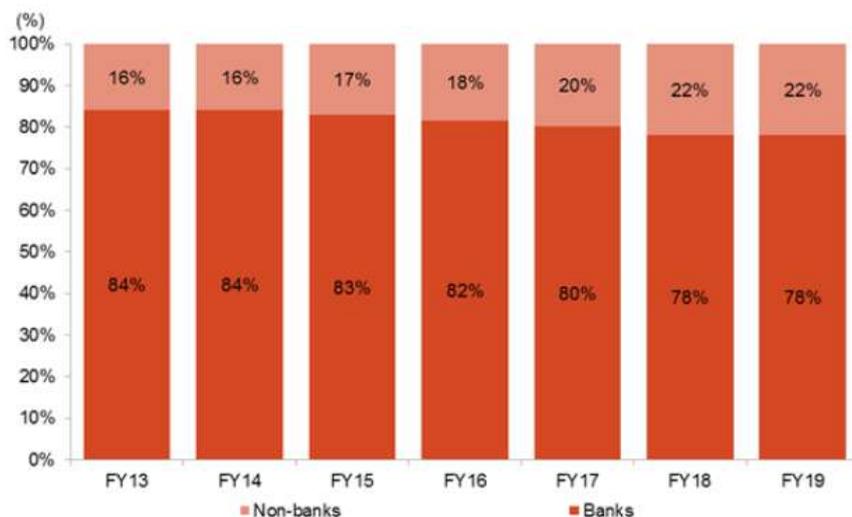
Non-banks' loan book as of March 2019 stood at ₹ 27 trillion



Source: RBI, NHB, Mfin, CRISIL Research

Non-banks have become an important catalyst in the credit market of India increasing its share for the past several years. However, due to slower growth in fiscal 2019, non-banks just managed to maintain their share of credit against banks. Growth in fiscal 2019 came majorly in the first half, where non-banks' growth was 7.8%. After the crisis in September 2018 non-banks registered growth of 4.7% the second half of fiscal 2019. Slower growth in outstanding book was also attributed by portfolio securitisation by non-banks.

Share of non-banks have increased significantly over the years



Source: RBI, NHB, Mfin, CRISIL Research

For fiscal 2019, NBFCs loan book grew 13.1% year-on-year registering lowest growth in past five fiscals. CRISIL Research believes that, due to liquidity squeeze and further slowdown in the economy, credit growth of non-banks will come down to 9-11% in fiscal 2020. In fiscal 2021, we expect NBFCs to witness a slightly higher growth of 11-13%, taking the overall NBFC market size to Rs 33 trillion.

Meanwhile, banks have partly made up for slower growth of NBFCs. Non-banks continue to witness higher growth compared with banks until fiscal 2018. In fiscal 2019, banks and non-banks posted similar growth. However, CRISIL Research expects banks to clock higher growth in fiscal 2020, outpacing non-banks growth.

NBFC growth to slow down over FY21

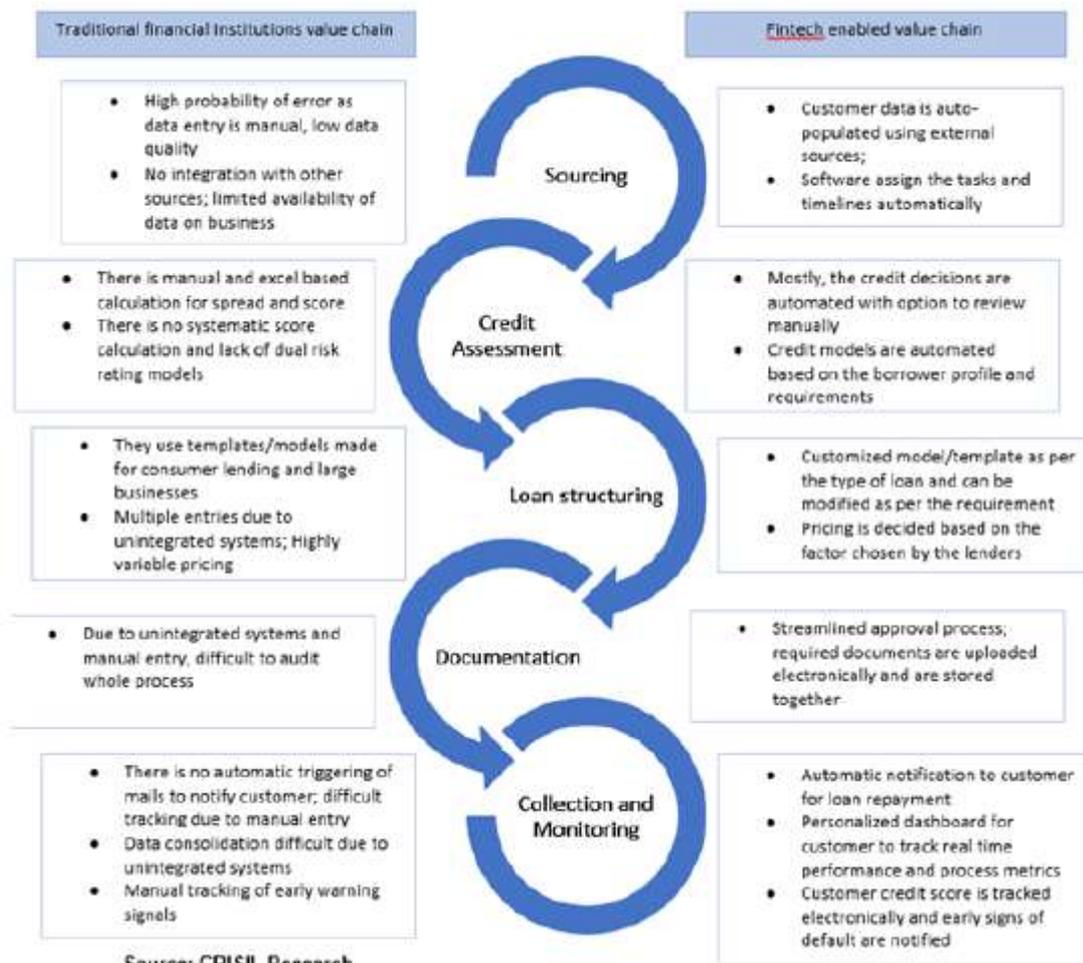


Source: RBI, NHB, Mfin, CRISIL Research

Fintech and digital segments are increasingly playing an important role in retail lending

Innovation in the fintech has rapidly changed the lending space in the past 2-3 years by leveraging the data available from credit bureaus, asset-reconstruction companies, Goods and Services Tax (GST) network, Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) and Registrar of Companies (ROC). With the advancement of technology, the gap between fintech companies and financial institutions is slowly disappearing. Alternative lending includes marketplace platforms, peer-to-peer (P2P) lending and digital-lending platforms targeting specific needs of customers and MSME businesses that are underserved by financial institutions. Alternative lending also caters to specific market segments such as e-merchants and internet-enabled businesses. The alternative lending fintech model enables highly efficient customer onboarding and servicing within lighter regulatory environment. In contrast, most traditional financial institutions operating model includes branch banking, stringent regulatory environment, collections and recovery of loan book. One of the major trends in the alternative lending business is API (application programming interface) banking. API banking enables third-party providers to develop solutions that can be integrated easily with banking platforms. This integration helps in maintaining confidentiality and data security along with providing complete support to fintech firms in reinventing consumer services. In the past few years, alternative lending firms have been servicing customers, who are outside the purview of banks risk appetite. The operating model of fintech firms is yet to be tested, as they are yet to complete their full loan cycle. As the industry is growing, fintech firms should take necessary steps to maintain the asset quality and keep NPAs low compared with traditional players. They must prioritise quality over quantity to ensure success of this model.

Impact of fintech on the value chain for retail lending:

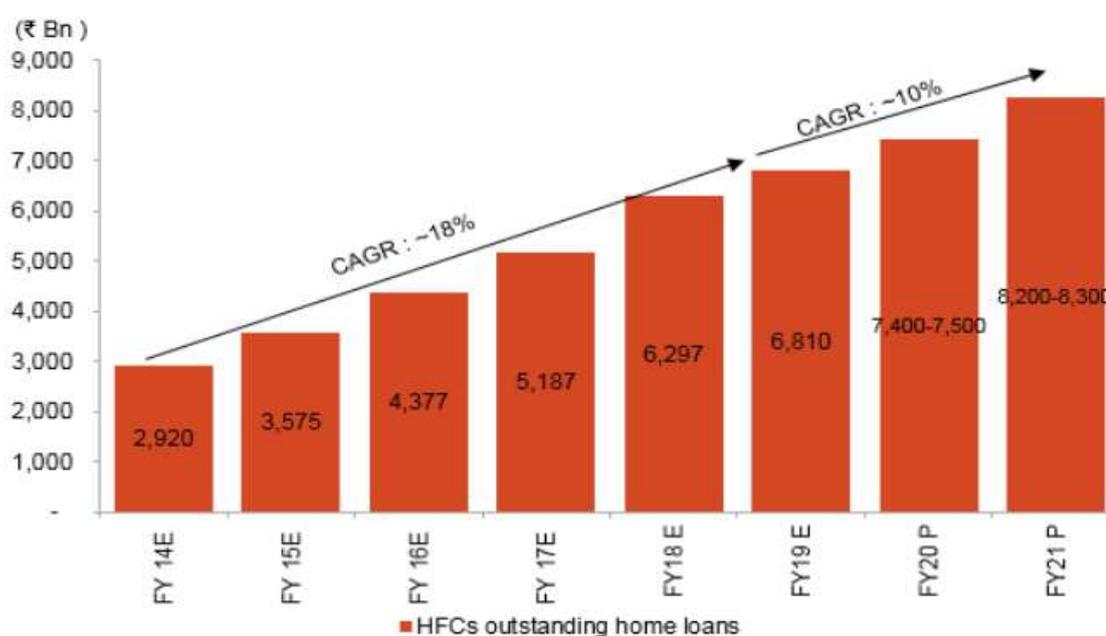


Housing Finance

HFC's book in home loan segment to grow at 10% CAGR over the next two years. Home loans outstanding of housing finance companies (HFCs) grew at over 20% compound annual growth rate (CAGR) during fiscals 2013 and the first half of fiscal 2019. Demand for individual home loans rose on account of increasing demand from Tier 2 and 3 cities, rising disposable incomes, interest rate subventions, and fiscal incentives on housing loans. However, growth slowed considerably in the second half of fiscal 2019 owing due to liquidity constraints, players started focusing on managing asset liability mismatches rather than growing their book. Consequently, overall credit growth in home loans for HFCs stood at 8% on-year in fiscal 2019.

CRISIL Research expects the outstanding book of HFCs in the home loans segment to continue growing at a relatively slower 10% CAGR over the next two years. A tight liquidity situation is expected restrict market borrowings for some of the HFCs with relatively higher asset liability mismatches, higher proportion of non retail portfolio in overall book, and without strong parentage.

Growth momentum to slow amid the recent turbulence



Note: above graph represents home loan outstanding of HFCs E: Estimated; P: Projected

Source: Reserve Bank of India (RBI), NHB, Company Reports, CRISIL Research

To strengthen liability management, non-banks are tapping alternate sources of funding such as issuances of retail bonds, securitisation, and external commercial borrowings (ECBs), apart from increasing borrowing from banks. Securitisation has emerged as a major source of funding, which is expected to continue this fiscal.

CRISIL Research expects the credit growth of the HFCs to slow down owing to the tight liquidity and increased risk perception over the medium term. While credit supply growth will slow down over the next two years, demand-side fundamentals will likely to remain robust. Deeper finance penetration, better affordability, latent demand for affordable dwellings, greater government support, and higher disposable income will continue to drive demand for housing loans.

Measures taken by regulator and government to ease liquidity constraints

Over the past few months, the government as well as regulators have come out with various measures to improve the liquidity situation for non-banks. One of the measures announced by the government in the recent budget is a one-time partial guarantee to banks (for six months) on the purchase of highly rated pools of financially sound non-banking financial companies.

Credit guarantee by the government to public sector banks (PSBs) on the purchase of assets from NBFCs should narrow the prevailing trust deficit and boost investor confidence in non-banking finance companies (NBFCs). The assumption here is the credit guarantee is for the entire tenure of the pooled assets purchased by PSBs over the next six months. Some of the other measures taken by the regulators to ease the liquidity situation and to structurally strengthen the HFCs are as follows:

- Increasing refinance limit from the National Housing Bank (NHB)
- Easing of norms for bank lending to NBFCs
- Relaxation on the minimum holding period for securitization
- One-time partial credit guarantee scheme
- Classification of banks lending to an NBFC under PSL for lending to agriculture, micro, small, and medium enterprise
- (MSME) and housing sectors

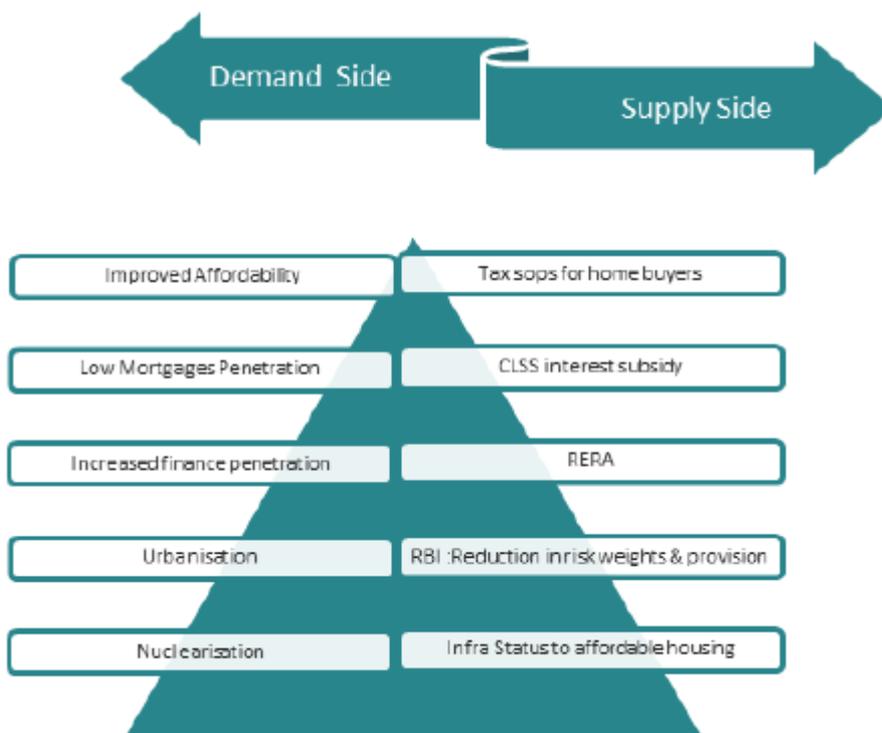
On the demand side, THE higher tax exemption announced in the affordable housing segment will keep demand intact. Interest deduction on loans taken until March 31, 2020 for the purchase of a house valued up to ₹ 45 lakh has been enhanced to ₹ 3.5 lakh from ₹ 2 lakh. The additional interest deduction of ₹ 1.5 lakh would reduce the effective home loan interest rate by 40-50 basis points for a typical 15-year loan.

Apart from this, there have been other measures taken by the regulators/government to structurally strengthen HFCs which are given below –

- NHBs revised guidelines announced in June 2019 have made the following key amendments:
 - The minimum Tier 1 capital adequacy to be maintained by HFCs has been increased from 6% to 10%
 - The overall capital adequacy ratio requirement has been increased from 12% to 15% in a graded manner
 - The maximum leverage that HFCs can take up has been reduced to 12 times from 16 times over three years
 - The ceiling on deposits that HFCs can mobilise has been lowered to three times of net-owned funds from five times
- Transferring the regulatory power on HFCs from the NHB to the RBI

Transferring regulatory power will lead to better risk management framework for HFCs and also enable the RBI to have a prudent risk focused surveillance over the non-banks. These are structural measures which will help strengthen the sector over the medium to long term.

Key Growth Drivers



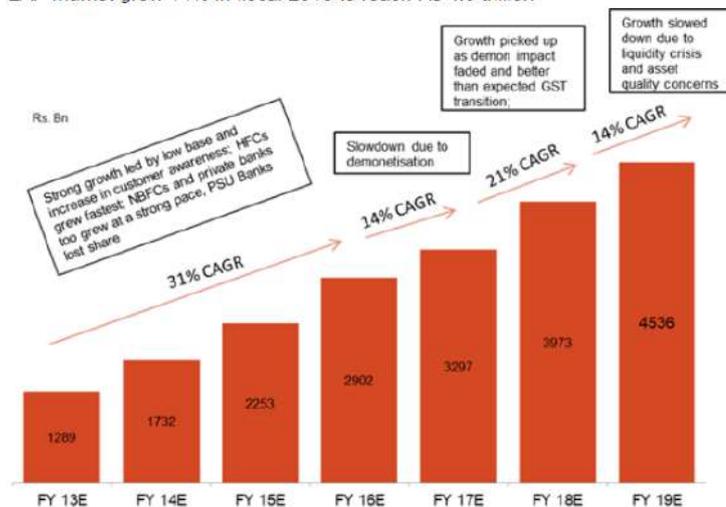
Loan against property (LAP):

Total outstanding LAP (banks and non-banks) grew at a compound annual growth rate (CAGR) of 25% over the past five years until fiscal 2018

Earlier, growth was led by an increase in product awareness, coupled with higher financier willingness to lend. Key factors contributing to high LAP growth in the past were:

1. *Quick turnaround time, lower interest rate, lesser documentation:* LAP loans get disbursed in about half the time taken for a secured 'micro, small and medium enterprise' (MSME) loan. It is also offered at a lower interest rate compared with secured MSME loans, unsecured personal and business loans. LAP requires lesser documentation compared with other secured SME products, leading to lesser hassles to customers.
2. *Greater transparency in the system:* Demonetisation, GST, and the governments strong push for digitisation have led to higher transparency in the system. This will keep pushing up loan-amount eligibility of borrowers. Formalisation will also help many new borrowers to come under the ambit of formal lending channels.
3. *Rising penetration of formal channels:* Increase in penetration and availability of formal lending channels in other than top 10 cities will take away the market share from money lenders.
4. *Higher comfort for lenders:* Lenders are comfortable disbursing LAP loans, as they offer favourable risk-return characteristics compared with MSME and unsecured loans. They also offer higher recovery in case of default (supported by the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002) and better asset quality is only partly offset by lower yields.

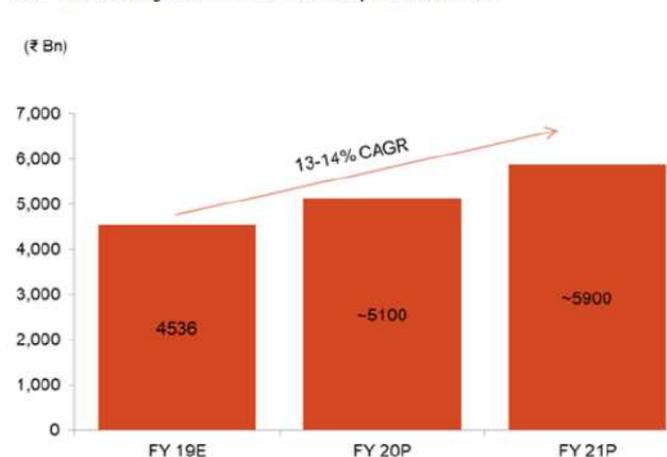
LAP market grew 14% in fiscal 2019 to reach Rs 4.5 trillion



Note: Includes banks and non-banks

Source: CRISIL Research

LAP market to grow 13-14% CAGR up to fiscal 2021



Note: Includes banks and non-banks

Source: CRISIL Research

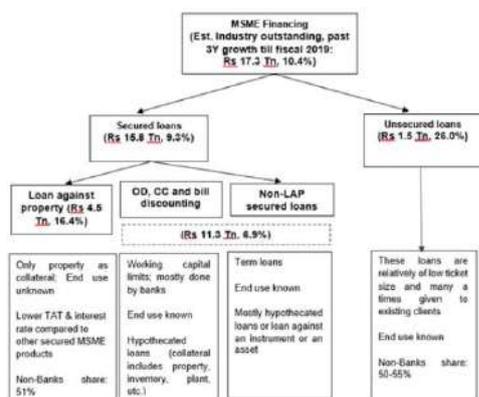
With continued restricted access to funds and asset-quality concerns, CRISIL Research believes the LAP market outstanding to grow at a modest 12-13% in fiscal 2020 and a pick-up in growth at 14-15% in fiscal 2021, leading to a CAGR of 13-14% until fiscal 2021.

Though growth will pick up in fiscal 2021, it is unlikely to reach pre-crisis levels, as lenders are likely to be risk-averse in this segment. We expect the total LAP market (banks and non-banks) to reach Rs 5.9 trillion by fiscal 2021.

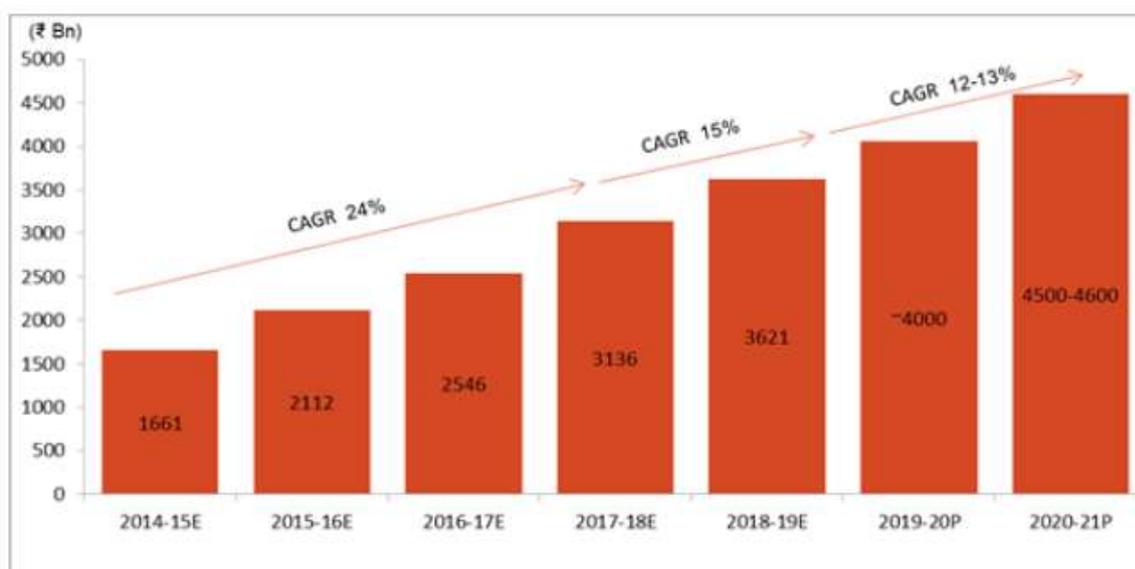
Non-banks, which grew 19-20% (two-year CAGR) until fiscal 2018, grew just 12% in fiscal 2019 and are expected to grow at a subdued rate of 9-10% CAGR between fiscals 2019 and 2021.

MSME Finance

Micro, small, and medium enterprises (MSMEs) complement large corporates as suppliers and directly cater to end-users. The MSME sector contributes to the country's socio-economic development by providing large employment opportunities in rural and backward areas, reducing regional imbalances, and assuring equitable distribution of national wealth and income. The segment contributed to 29% of the gross domestic product as of fiscal 2016, thus supporting the country's economic development and growth.



Total non-bank MSME credit to grow at a lower pace of 12-13% CAGR up to fiscal 2021.



Non-banks' credit to the sector had witnessed robust growth of 24% compounded annual growth rate (CAGR) between fiscals 2015 and 2018. However, on account of the liquidity crisis in fiscal 2019, growth slowed down to 15% in fiscal 2019.

Non-LAP (loan against property) secured MSME (micro, small and medium enterprises) loans include working capital products (cash credit, overdraft facility, and bill discounting) and other term loan products, including asset-backed or hypothecated loans. Hypothecated loans are term loans where the collateral offered is a combination of property, inventory etc.

While banks dominate working capital loans, non-banks have managed to capture a share of asset-backed/hypothecated term loans over the past few years.

Between fiscals 2019 and 2021, CRISIL Research expects non-banks non-LAP secured MSME books to clock 15-17% compound annual growth rate (CAGR) to Rs 600 billion vis-a-vis 20-21% CAGR between fiscals 2017

and 2019. The reason for the slower pace is that the share of term loans is decreasing compared with working capital loans on account of lower capital expenditure, given the lower capacity utilisation levels in the country.

Several non-banking financial companies (NBFCs) offer big ticket, non-LAP secured loans at very attractive rates to rapidly grow their books. Many of these loans are also customised loans, given on a case-to-case basis, depending on the collateral availability and repayment capability of the respective MSME.

MSME: Unsecured loans

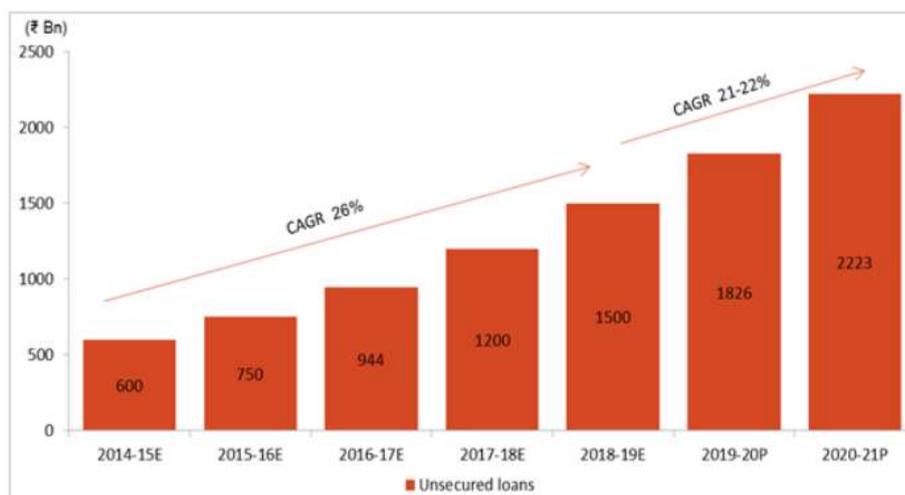
Unsecured MSME (micro, small and medium enterprises) loans are given to self-employed borrowers without collateral. It is a cash flow based lending model rather than collateral based. These loans are underwritten based on financial statements, bank statements, GST returns, number of loans taken in the past, bureau checks, scorecards etc.

Total unsecured loan outstanding doubled in 3 years to Rs 1.5 trillion in FY19; non-banks growth to slow down, however still be healthy till FY21. Unsecured business loan outstanding (banks and non-banks) clocked a strong 26% CAGR over three fiscals until fiscal 2019 to touch Rs 1,500 billion. Over fiscals 2019-2021, non-banks' unsecured business loan portfolio will clock a CAGR of 18-20%, lower than the 28% figure during the three fiscals until 2019 but still be healthy. Competition in the secured loans market (especially retail loans) prompted non-banks and a few private banks to gain expertise in niche lending and build robust digital platforms to eye fresh opportunities in the unsecured business loans space to maximize profitability.

CRISIL Research expects unsecured business loans (banks and non-banks) to continue to outpace overall MSME credit growth over the next two years and reach Rs 2.2 trillion by fiscal 2021. The key growth drivers are:

- Lenders earn better risk-adjusted returns than other MSME products (unsecured loans offer more than twice post-tax RoA compared with other MSME products)
- Borrowers can avail this product without any collateral. Further, stagnant property prices limit the ability of SMEs to offer higher collateral for secured loans which will further help drive the growth of unsecured loans
- Lower penetration, low base, increased availability of customer data and faster disbursements driven by technology supporting strong growth in the near term

Unsecured MSME lending to grow at a healthy pace



Source: CRISIL Research; Note: E: Estimated; including banks and non-banks

In the past, non-banks focused aggressively on the unsecured segment, growing their book significantly faster than that of banks. Over three fiscals until 2019, banks' unsecured business credit clocked 22-24% CAGR and non-banks' 27-29%.

Auto Finance

Share of NBFCs in auto financing book to improve in the coming fiscals

While banks have grown faster than non-banking financial companies (NBFCs) in the fiscals post demonetisation, NBFCs have remained competitive in the auto financing landscape because of:

- Specialisation in disbursing this category of loans, based on stronger understanding of customer profiles, and ability to provide customised product offerings
- Greater ability to tap the market (based on improving ratings) in order to raise funds at convenient rates, which has enabled them to offer competitive interest rates
- Increasing market penetration from captive financiers (both Indian and foreign), based on greater ability to tap the customer at the existing dealership
- Share of captive NBFCs in overall auto financing has improved from 14% in fiscal 2013, to 17% in fiscal 2019
- Greater ability to cater to the riskier customer segments, especially used vehicle financing, based on stronger customer connect, follow up, account monitoring, and maintenance, along with focus on collections
- Doorstep collections offered by the NBFCs have made their product offering much more convenient to the borrower
- Option of repayment in cash has aided in improving convenience (however, multiple NBFCs are now increasingly asking borrowers to make non-cash repayments)
- NBFCs offer flexibility in repayment schedule (weekly, monthly etc.) and the amount to be repaid
- These initiatives have enabled NBFCs to keep their asset quality range bound and helped to scale up operations
- Recruiting local employees also enables NBFCs to gain better understanding of the ground operations, helping them improve efficiency, and collections
- Greater ability of NBFCs to tap financing demand in riskier segments, especially in semi-urban and rural markets, which have remained underserved by banks, has allowed book growth
- NBFCs dominate financing in riskier segments based on stronger valuation expertise, and in smaller ticket segments such as two- and three-wheelers, based on operational expertise
- By using surrogates for credit appraisal, NBFCs have been able to cater to self-employed customers and salaried customers in informal sectors, which banks find riskier
- NBFCs enjoy high flexibility in terms of their operating structure. They have innovative channel strategies such as opening a mini/rural branch, having tie-ups with unorganised brokers in areas where transporters (commercial vehicles) are concentrated, etc.

In fiscal 2019, NBFCs in auto financing grew at 14.7% on-year. The pace of market share loss to banks slowed down to 10 bps that fiscal, from 30 bps in fiscal 2018. As of fiscal 2019, NBFCs accounted for 47.0% of the market as against 47.1% in fiscal 2018.

Going forward, however, market dynamics are expected to change considerably with new vehicle financing segments facing sharp slow down amid sharp demand decline in automobile sales, in the backdrop of transition to BS-VI norms, rising ownership costs, new axle norms, proposed scrappage policy, and the price rise post implementation of new safety norms, and crash test norms for passenger vehicles. As a result of these factors restricting demand, new vehicle sales are expected to face sharp de-growth to the tune of 14-16% in case of new passenger vehicles, to the tune of 14-16% in case of new commercial vehicles, 8-10% for two wheelers, 7-9% for three wheelers, while uptick being marginal for tractors.

On the other hand, used passenger and commercial vehicle sales are expected to grow at 5-7% each in the coming fiscal based on higher replacement demand for the existing BS-IV vehicle amid sharp price jump for the new BS-VI vehicles. As a result, new vehicle financing segments are expected to pull overall loan book growth for both banks and non-banks in the coming fiscal. However, slow down is expected to hit banks more deeply as their loan book remains highly focused towards new vehicle financing (92.4% of loan book focused on new vehicle loans). We expect demand slump to pull down overall banks' loan book growth to 4-6% in the coming fiscal while non-banks, with relatively lower proportion of new vehicle loans (62.6% of loan book focused on new vehicle loans) are expected to drive market growth at 7-9% loan book growth.

However, in fiscal 2021, demand for new vehicles is expected to recover to 6-8% in new passenger vehicles, 7-9% in new commercial vehicles, 5-7% in two wheelers, while remaining flattish for both tractors and three wheelers. As a result, loan book growth for new vehicle financing is expected to pick up pace, however, demand for used vehicles is expected to remain stronger based on higher affordability associated with the pre-owned BS-

IV vehicles. As a result, loan book growth for both banks and non-banks is expected to inch up, however, the same is expected to remain lower compared to the strong growth witnessed in fiscals 2016 to 2018.

NBFCs still remain the dominant force in used vehicle financing:

In case of pre-owned vehicle financing, NBFCs maintain their dominance in fiscal 2019 based on greater ability to take on riskier exposures, greater semi-urban and rural market presence, along with superior underwriting and account maintenance abilities. However, share in the overall pie has been coming down marginally especially in the fiscals post demonetisation, as cash-based transactions declined. However, with NBFCs moving towards non-cash transactions, share in used vehicle financing pie is expected to remain stable in the coming fiscals.

In terms of used financing segments, share of NBFCs in used CV financing has remained stable at 88% between fiscals 2014 and 2019, based on strong presence of larger players, and captives in the financing fold. However, the same for used PV financing has come down sharply from 80% in fiscal 2014 to 71% in fiscal 2019, based on greater non-captive NBFC preference towards higher yielding used CV segment.

Going forward, we expect non-banks to gain share in the segment based on superior ability to value underlying assets, along with greater expertise to operate in this vehicle financing segment, as banks remain risk-averse in financing used vehicles.

NBFCs strengthening their grassroots presence with focus on improving operational efficiency:

Strong grassroots presence enable NBFCs to have better understanding of their customer segments and geographies, this helps them in developing products better suited to their customers, sourcing of business and collection.

For growth, NBFCs are:

1. Focusing on strengthening their presence and expanding their reach further by

- Increasing penetration into rural and urban centres
- Building partnerships with private financiers (private financiers take the credit risks whereas the NBFCs provide the loans) in the unorganised market to leverage their local knowhow to enhance the market share

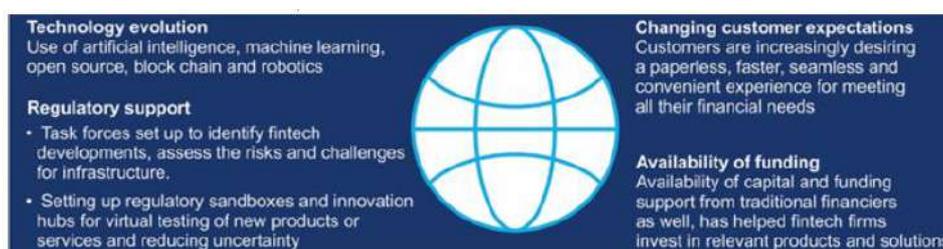
2. Diversifying into non-auto segments

- To bring down the opex-to-assets under management (AUM) ratio by supporting AUM growth
- To reduce concentration risk of their earning profile
- Diversification of products also help financiers to increase cross sell opportunities to captive customer base

Fintech

Fintech is a contraction of finance and technology and is defined as the use of technology and innovative business models in financial services. Fintech firms typically use technology to change or support ways of doing business and enhancing customer convenience. They facilitate access to credit for hitherto unserved or underserved customer segments and/or improving operating efficiency.

Key drivers of fintech globally - Increasing adoption of technology, rapidly changing customer expectations, regulatory support to innovation, and availability of funding have supported the growth of fintech firms globally.



Source: CRISIL Research

In India, too, the growth of fintech is being driven by a confluence of factors, such as:

- Favorable demographics: By 2020, India will have a 495 million Generation Z or Gen Zers (36% of the total population), defined as those born after 2001. This generation, which has not seen the world before Internet, is more likely to uptake digital products/ services, provided these are relevant to them
- Rising internet penetration: CRISIL Research foresees 800 million subscribers (or three in five Indians) to be using mobile internet by fiscal 2023, driven by high-speed internet services and increasing affordability
- Availability of low-cost infrastructure: Payment service providers such as the National Payments Corporation of India, MasterCard and Visa, and mobile phone manufacturers and internet service providers have been working towards lowering the cost of digital infrastructure, which has spurred fintech solutions
- Availability of huge amount of data and related intelligence: Connectivity and smart devices are helping capture customer data via many flanks and building their social and psychological profiles, leading to efficacy of decision-making and personalised offerings
- Support of frameworks: The launch of unified payment interface (UPI) has brought payments service providers on to a single platform enabling quick payment. The launch of IndiaStack has lowered the cost of consumer onboarding and transactions significantly

Imperatives for India's traditional financial institutions

Given the rapid strides being made by fintech firms, traditional financial service providers in India have to scale up capabilities in five areas:

Judiciously leverage data: Data is the fulcrum of business models such as ride-sharing (real-time demand and supply data helps set pricing and optimise revenue) and music-on-demand (personalised services). But traditional financial institutions haven't been able to do that, and will need sharper focus on leveraging the data available with them to provide a differentiated value proposition and personalised offerings to their customers

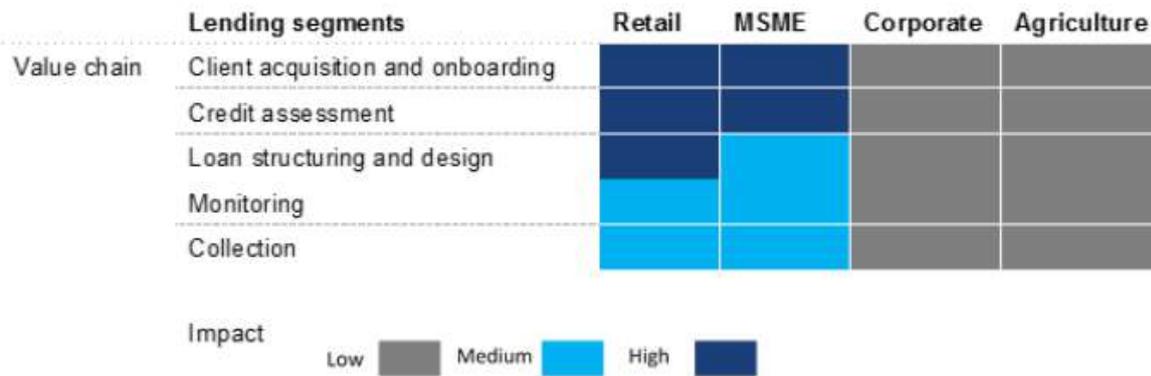
Understand customer expectations: With rising incomes and awareness and the advent of technology, consumer behaviour and expectations are changing rapidly. Consumers, used to an instant experience, whether for making purchases (through e-commerce websites) or for traveling (through cab hiring firms), are demanding a superior experience from other service providers such as lenders as well. Lenders need to reimagine the customer lifecycle journey right from onboarding to loan processing, disbursement and subsequent engagement through multiple online and offline channels to enhance customer experiences and ensure stickiness.

Think beyond tech-savvy customers: There exists a huge untapped market of low-income customers for lenders beyond the urban tech-savvy, digitally-literate customers. Lenders need to design products and solutions more relevant to this unserved or underserved customer segment rather than merely offering services that have worked elsewhere. On the distribution side, phygital a combination of digital channel and human touch at the front end to assist customers can be looked at until consumers gain the requisite trust.

Digital marketing is a crucial flank: Traditional financial service providers have to sharpen focus on, and invest in, digital marketing for customer acquisition, engagement and lifecycle management. While traditional functions such as operations, credit and risk would continue to define the success of lenders, technology and data strategy also needs to be thought about and viewed in the same breath.

View fintech firms as partners: Collaboration between conventional FIs and fintech firms and also among fintech firms suffers due to differences in approach to business. Many banks and FIs still work on legacy technology and provide fintech firms limited access to APIs, making technology integration challenging. Other challenges stem from the perception of fintech firms as vendors, and not partners. This needs to change, and traditional FIs have to show willingness to engage and collaborate with fintech players to develop capabilities that serve customers better.

Impact of fintech firms across different lending segments



Source: CRISIL Research

Role played by fintech firms in boosting MSME lending

Only about 10% of MSMEs in India have access to formal credit through the banking system. Despite the benefit of lower cost of funds due to CASA deposits, traditional lenders have tapped only a small section of the addressable market. Given the small ticket size and higher risk perception, and the burden of their legacy costs and systems, financial institutions feel the returns on such loans are not commensurate with the operating costs and credit risk.

Fintech firms, on the other hand, make use of multiple surrogates, beyond just published financial statements that traditional lenders rely on, and technology to enable faster decision-making, thereby enabling MSMEs to get the requisite funds at the time needed. Their platforms are also easy to use, which makes it more attractive for MSMEs.

Currently, fintech firms operating in the MSME space mainly offer small ticket unsecured loans (loan size less than ₹ 25 lakh) either on their own books or through their tie-ups with partner financial institutions. Their usage for larger secured, collateral backed loans is limited, possibly indicating lenders are still taking small steps in this direction and would wait for credit history of fintech-based loans to be built up before taking larger exposures.

In aggregate, digital lending defined as cases where loans are sourced, underwritten, and sanctioned digitally is estimated to account for less than 5% of loans (in value terms) extended to MSMEs. This percentage is likely to grow exponentially, supported by growth in both volume and ticket sizes, in coming years as lenders become more comfortable with alternate credit assessment and availability of data improves further.

OUR BUSINESS

We are a non-banking finance company operating in India focused on creating and maintaining retail portfolio of lending to individuals and small businesses. We target financing the needs of under-banked and under-served population and is spread across the country's broad financial landscape. Our vision is to be the company of choice in financial services for our customers, employees, communities and stakeholders, recognised for innovation and high ethical standards. We provide financial services across a wide spectrum of needs, affluence, customer life cycle. As on March 31, 2019, the Company has an entrenched presence in the market through more than 626 branches, covering approximately 600 towns and close to 58,000 villages. Further, with over 13,062 employees, our Company is serving 33,82,132 customers as on March 31, 2019.

Our Company, presently registered as a Category A (Deposit Taking) NBFC with the RBI under Section 45IA of the Reserve Bank of India Act, 1934 was established through the acquisition of Dove Finance Ltd., an NBFC incorporated in August 1994. In 2005, Fullerton Financial Holdings Pte Ltd, Singapore (through its investment arm, Angelica Investment Pte Ltd), a wholly-owned subsidiary of Temasek Holdings (Private) Limited (one of Asia's biggest investment firms owned by the Government of Singapore), acquired a controlling stake and management control in Dove Finance Ltd. (a closely held finance company) and renamed our Company as First India Credit Corporation Limited which was subsequently changed to Fullerton India Credit Company Ltd in the year 2007. For further details refer to chapter titled "*History, Main Objects and Key Agreements*" on page 125 of this Draft Shelf Prospectus.

Fullerton Financial Holdings Pte Ltd. invests in and operates financial institutions in emerging markets.

Our business lines primarily comprise of Urban Business, Rural Business and Digital Business. We serve urban and rural markets through our diversified product portfolio. Our product portfolio constitutes mainly of advancing loans for purchase of commercial vehicles and two-wheelers, loans against property, loan against shares, developer financing, working capital loans for urban self-employed, SME and MSME, personal loans and loans for rural livelihood advancement through garima loans and samridhi loans, and financing of various rural small enterprises. In addition to our Urban and Rural Businesses, we also provide digital loan solutions under our Digital Business which enables our Company to cater to a larger customer base spread across various geographies and acquire new customers through our Company's digital platform. Apart from our financial lending products, our Company also distributes third party general and life insurance products.

STRENGTHS AND STRATEGIES

Strengths

- ***Well established brand and strong promoter support, along with an experienced management team***

We believe we benefit extensively from our one of our Promoters (Fullerton Financial Holding Pte Ltd) and Temasek Holdings (Private) Limited (ultimate holding company), which is a diversified financial services company with a global presence. 'Temasek' is a well-established brand along with its subsidiaries, offers a wide range of products and services across the global market. We believe we have been able to leverage on our Promoter's experience in the financial services industry, the goodwill and brand of 'Fullerton' and our association with Temasek, to develop deep understanding of the market and related opportunities, gauge customer expectations and design suitable products for our target customer base. We believe that we will continue to derive significant marketing and operational benefits from our association with the Group.

We are led by qualified and experienced Board of Directors and key managerial personnel. The Board comprises seven directors with significant experience in the banking and finance sector. The members of our executive management team also have significant experience in the products and services offered by us. We believe that our senior management and experienced executives are and would continue to be the principal drivers of our growth and success in all of our businesses; and that their extensive relevant experience and financial acumen will continue to provide us with a distinct competitive advantage. Our management organization structure is designed to support each product line with a dedicated team of executives with substantial experience in their particular business.

- ***Strong asset quality with consistent low level of NPAs***

We are focused on dispersed risk- retail lending which helps us maintain a better asset quality. The quality of our loan portfolio is reflected in the consistent low level of NPAs. We believe that our robust credit approval mechanisms, credit control processes, audit and risk management processes and policies help us maintain the quality of our loan portfolio. We have in place product specific lending policies, credit approval committees and regular monitoring of exposures. We routinely monitor credit risk, risk concentration and compliance with board approved policies. Credit monitoring for retail products is undertaken at portfolio level wherein risk assessment is undertaken on various parameters like demographics, sector, geography, etc. As part of the credit assessment, we analyse past financial information, applicant's business performance/earnings history to assess their ability to repay loans. In addition to document verification and credit bureau reports, we conduct site verifications, interviews, as well as market and banking reference checks on the applicant, co-applicant and guarantor using technology/ automation or manual mode.

As of March 31, 2019, on a consolidated basis, our GNPA constituted 2.02 per cent. of our loan book, as compared to 2.33 per cent. of our loan book as of March 31, 2018. As of March 31, 2019 on a consolidated basis our provision towards Stage 3 Assets was ₹ 24,275 Lakhs as compared to ₹ 17,630 Lakhs as of March 31, 2018.

- ***Diversified product portfolio catering to a wide customer base***

We have well diversified portfolio of products serving multiple asset classes across geographies. Our Company aims at promoting inclusive growth with a wide variety of loan products including personal loans, loans against property, commercial vehicle finance, loans against securities, small and medium enterprise financing and small business finance, caters to all types of customers in the country – salaried, self-employed, informal sector, SME and Joint Liability Group (“JLG”). Such diversification helps us minimise business impacts arising from dependence on a specific product line. We believe that the scale of our operational network provides us with a competitive advantage. We operate an extensive network of our 626 offices spanning across 25 states, as of March 31, 2019. The reach of our offices 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. The branch network facilitates servicing a broad customer base while reducing dependency on a single or small number of regions. Our widespread office network reduces our reliance on any one region in India and allows us to apply best practices developed in one region to other regions. We service multiple products through each of our offices which reduce operating costs and improve total sales. We believe that the challenges inherent in developing an effective office network in rural and semi-urban areas provide us with a significant advantage over our competitors in these areas.

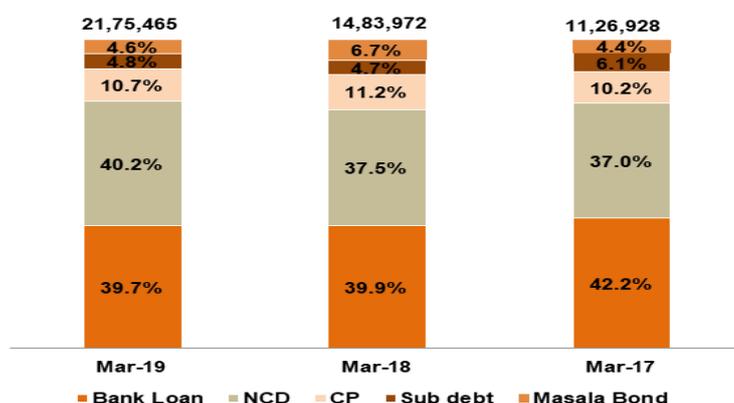
- ***Robust internal processes and risk management framework***

We believe that we have strong internal control and risk management systems to assess and monitor risks across our various business product lines. Our processes have been standardised with the objective of providing high quality service and ensuring efficiency. This is achieved by facilitating the integration of our workforce, processes and technology. Our key business processes are regularly monitored by the respective heads of our business and/or operations. We believe that we have the necessary internal controls and risk management systems in our Company to assess and monitor risks across various business lines. Our Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliances with laws and regulations. Our Board has constituted various Committees including Risk Oversight Committee, Audit Committee, Asset Liability Management Committee, IT Strategy Committee to monitor and manage risk. All new lines of business and product launches follow a rigorous internal approval process that requires assessing risk, client suitability, understanding regulations and internal policy compliance, prior to launch. We believe that we have effective procedures for evaluating and managing the market, credit and other relevant risk.

- ***Diversified funding sources and strong credit profile***

Our funding requirements are currently predominantly sourced through term loans from banks and financial institutions, issue of redeemable non-convertible debentures on private placement basis, issue of redeemable non- convertible subordinated debentures on private placement basis, market linked debentures,

Masala bonds, External Commercial Borrowings, cash credit from banks including working capital loans, and commercial papers. We have access to funds from multiple classes of lenders, including public sector banks, private commercial banks, development financial institutions, insurance companies, mutual funds and high networth individuals and family offices. Our Company also issued masala bonds (Rupee denominated bonds) during the Fiscal Year 2017 & 2018. We believe that we have developed stable long term relationships with our lenders and have established track record of timely servicing of our debts. We have also sourced funds from sale of pools through direct assignment and securitization. As at March 31, 2019, assignment value stood at ₹ 29,234 Lakhs.



In relation to our long-term debt instruments, we currently have long term ratings of ‘CRISIL/ AAA (stable)’ by CRISIL, ‘[ICRA] AAA (stable)’ by ICRA, ‘CARE AAA; Stable’ by CARE and ‘IND AA+/ Stable’ from India Rating, which indicates a high degree of safety regarding timely servicing of financial obligations and carry very low credit risk. Further, in relation to our short-term debt instruments, we currently have short term rating of ‘CRISIL A1+’ by CRISIL, ‘[ICRA] A1+’ by ICRA, ‘CARE A1+’ by CARE. We believe we are able to borrow from a range of sources at competitive rates.

Strategies

- ***Continue to invest in digitization and technology***

To reduce costs and manual intervention in favour of automated processes, improve productivity and performance, manage risk, approve loans at a quicker rate and have a competitive advantage, we intend to leverage on technology. As retail lending needs a high degree of operational excellence and automation to reduce turnaround time, we plan to continue investing in technology to significantly enhance our technical capabilities across our products and service offerings. We believe that we have the technological platform and information technology systems in place to support significant growth in customer base and lines of business. We believe that technology will enable us to respond effectively to the needs of our customers and meet competitive challenges. Further adoption of data analytics will also help us increasingly assess customers using algorithms, particularly those customers who do not have a credit history and have historically been under-served.

- ***Ensure effective asset-liability management, diversify borrowing sources and strengthen our credit profile***

The Company has in place Risk Oversight Committee and Asset Liability Management Committee (ALCO), consisting of Directors and senior officials. They regularly meet and review the policies, systems, controls, and positions of the financing business. Our Company has a varied product mix of lending portfolio resulting into maturities of loans in different time buckets, efforts are made to match the maturity of liabilities with those of the assets and minimize the asset liability mismatch. We monitor liquidity risk through our ALCO with the help of monthly liquidity and Asset Liability mismatch reviews. We secure funding from a variety of sources to meet our capital requirements for instance, our Company, subject to market conditions, may also secure funding by issue of foreign currency denominated bonds/notes. We believe that we have been able to access cost-effective debt financing and reduced our average cost of borrowings over the years due to several factors, including our financial performance and improving credit

ratings. We will continue to focus on developing a diversified funding model to achieve an optimum cost of funds while balancing liquidity and concentration risks. We believe we will continue to maintain our credit ratings and thereby access a greater pool of diversified funding sources.

- ***Focus on the Rural and Urban Markets to grow***

We plan to continue to expand business reach and increase the market share of our existing products and services in the rural and urban markets of India. We are focused on high growth, dispersed risk- retail lending. We intend to expand the scale of our operations, by own sourcing penetration and distribution through third party, channels and increase our reach and customer base both domestically in urban and rural area. The focus is on expanding the scale of our operations to other cities, towns and villages in India, which we believe present opportunities in terms of clients and revenues and establish our presence across rural & urban business market. We plan to expand our network as relevant with the aim of achieving deeper penetration in existing products and regions as well as tap new markets. We intend to maintain high growth and profitability by increasing the scope and intensity of the activities in our existing lines of business with added focus on our business lines. We plan to increase our credit portfolio by strengthening and expanding our relationship with the retail clients, leveraging the vast network of vendors, dealers and customers, launching new products and services and developing distribution channels.

- ***Attain and retain talented professionals***

In financial services, people are the most important asset and their reputation, talent, integrity and dedication contribute significantly to the success of business. We believe that the strong team based approach will enable us to attract and retain employees. We have successfully recruited and retained talented employees from a variety of backgrounds, including credit evaluation, risk management, treasury, technology and marketing from Indian and foreign financial services organization and intend to continue to seek talent to further enhance and grow our business.

Our Company in collaboration with Great Place to Work Institute, India (GPTW) initiated an All Employee Engagement Study, FDNA (Fullerton DNA) to gain access to actionable insights & recommendations to help us create and sustain a great workplace. We had an overwhelming 82% response rate from our employees and were certified a Great Place to Work in our first year of participation, with an overall engagement score of 76%.

Key Financial Parameters:

A summary of our key operational and financial parameters for the last three completed Financial Years are as follows:

A. On Standalone basis

A summary of our key operational and financial parameters on a standalone basis for the last two completed Financial Years derived from Reformatted Standalone Financial Information under Ind AS are as follows:

(₹ in Lakhs)

Parameters	As at / for the years ended	
	March 31, 2019	March 31, 2018
Net worth	3,62,622	2,71,167
Total Debt of which (A+B+C)	19,37,400	13,82,441
- Debt Securities (A)	9,40,740	6,43,828
- Borrowings (B)	8,85,479	6,68,072
- Subordinated Liabilities (C)	1,11,181	70,541
Financial assets of which	23,56,234	17,01,793
- Cash and cash equivalents	20,060	24,249
- Bank balance other than above	51,665	53,521

Parameters	As at / for the years ended	
	March 31, 2019	March 31, 2018
- Investments	1,91,675	90,650
- Loans and Advances	20,89,638	15,30,735
- Other (includes Trades Receivables and Other Financial assets)	3,196	2,638
Non-financial assets of which	41,273	35,863
- Property, plant and equipment	7,166	4,812
- Intangible assets (including Intangible Assets under development)	3,318	2,603
- Other (includes Current Tax Assets, Deferred Tax Asset (Net), Other non- financials assets)	30,789	28,448
Financial liabilities (includes Trades Payable and Other financial liabilities)	87,092	73,840
Non-financial liabilities (Current tax liabilities, Provisions and other non financial liabilities)	7,828	8,276
Total income	4,13,812	2,71,262
Interest Income	3,96,471	2,59,337
Finance Costs	1,43,882	98,021
Impairment on financial instruments	51,016	46,938
Net Profit After Tax	77,522	34,963
Total Comprehensive Income	77,087	34,955
Gross NPA (%)	2.01%	2.43%
Net NPA to Net Advances	1.00%	1.42%
CRAR - Tier I Capital Ratio (%)	14.16%	14.03%
CRAR - Tier II Capital Ratio (%)	5.48%	4.78%

Notes:

“Net worth” is a summation of equity share capital and other equity reduced by prepaid expenses.

“Gross NPA (%)” is Gross NPA divided by Total loan exposure given under credit quality disclosures of financial information

A summary of our key operational and financial parameters on a standalone basis as at March 31, 2017 derived from Reformatted Standalone Financial Information under IGAAP are as follows:

(₹ in Lakhs)

Parameters	As at / for the Year end March 31, 2017
Net worth (Note 1)	2,39,259
Total Debt of which	1,097,512
- Non Current Maturities of Long Term Borrowings	7,98,681
- Short Term Borrowings	1,17,335
- Current Maturities of Long Term Borrowings	1,81,496
Fixed Assets	7,355
Non-Current Assets	8,26,286
Cash and Bank Balances	53,327
Current Investments	1,66,332
Current Assets	6,41,060
Current Liabilities	3,80,303
Loans advances- Portfolio loans (Note 2)	11,27,869
Contingent Liability and Commitments	13,243
Revenue from Operation	2,57,937
Finance Cost	1,03,437
Provisions & Write offs	50,617
Profit After Tax	21,429

Parameters	As at / for the Year end March 31, 2017
Gross NPA (%)	3.34%
Net NPA to Net Advances (%)	2.29%
CRAR - Tier I Capital Ratio (%)	16.28%
CRAR - Tier II Capital Ratio (%)	6.26%

Note 1:

“Net worth” is a summation of equity share capital plus reserves and surplus reduced by deferred revenue expenditure (unamortised borrowing cost, unamortised origination cost and prepaid expenses).

Note 2:

“The Asset under Management” of our Company as at March 31, 2017 on a standalone basis was ₹ 11,59,713 Lakhs

Debt Equity Ratio of our Company:

	As on March 31, 2019
As at March 31, 2019	5.31

Note: Debt Equity = Total Debt (Debt securities, borrowing and subordinated liabilities) / Equity (Equity share capital and other equity)

B. On Consolidated basis

A summary of our key operational and financial parameters on a consolidated basis for the last two completed Financial Years derived from Reformatted Consolidated Financial Information under Ind AS are as follows:

(₹ in Lakhs)

Parameters (in accordance with Ind AS)	As at / for the years ended	
	March 31, 2019	March 31, 2018
Net worth	3,55,552	2,64,351
Total Debt of which (A+B+C)	22,13,499	15,16,313
- Debt Securities (A)	10,15,728	6,82,175
- Borrowings (B)	10,86,590	7,63,597
- Subordinated Liabilities (C)	1,11,181	70,541
Financial assets of which	26,41,293	18,57,159
- Cash and cash equivalents	29,521	24,597
- Bank balance other than above	56,671	58,878
- Investments	1,64,953	52,431
- Loans and Advances	23,86,368	17,18,223
- Other (includes Trades Receivables, other Financial assets)	3,780	3,030
Non-financial assets of which	46,390	39,147
- Property, plant and equipment	8,176	4,951
- Intangible assets (including Intangible Assets under development)	3,402	2,613
- Other (Current Tax Asset, Deferred Tax Asset (net), Other non- financials assets)	34,812	31,583
Financial liabilities (includes Trades Payable and Other financial liabilities)	1,07,126	1,04,767
Non-financial liabilities (includes Current tax liabilities, provisions and other non financial liabilities)	8,754	8,893
Total income	4,46,779	2,84,923
Interest Income	4,27,233	2,72,292
Finance Costs	1,62,257	1,03,986
Impairment on financial instruments	55,367	49,745

Parameters (in accordance with Ind AS)	As at / for the years ended	
	March 31, 2019	March 31, 2018
Net Profit After Tax	77,425	34,679
Total Comprehensive Income	76,970	34,680
Gross NPA (%)	2.02%	2.33%
Net NPA to Net Advances (%)	1.00%	1.42%

Notes:

“Net worth” is a summation of equity share capital and other equity reduced by prepaid expenses.

“Gross NPA (%)” is Gross NPA divided by Total loan exposure given under credit quality disclosures of financial information

A summary of our key operational and financial parameters on a consolidated basis as at March 31, 2017 derived from Reformatted Consolidated IGAAP Financial Information are as follows:

(₹ in Lakhs)

Parameters (in accordance with IGAAP)	As at / for the Year end March 31, 2017
Net worth	2,37,197
Total Debt of which	11,32,138
- Non Current Maturities of Long Term Borrowings	8,29,681
- Short Term Borrowings	1,19,711
- Current Maturities of Long Term Borrowings	1,82,746
Fixed Assets	7,420
Non-Current Assets	8,41,425
Cash and Bank Balances	54,931
Current Investments	1,95,005
Current Assets	6,72,986
Current Liabilities	3,96,926
Loans advances- Portfolio loans	11,75,223
Contingent Liability and Commitments	5,052
Revenue from Operation	2,60,162
Finance Cost	1,04,084
Provisions & Write offs	51,095
Net Profit After Tax	20,211
Gross NPA (%)	3.22%
Net NPA to Net Advances (%)	2.21%

Notes:

“Net worth” is a summation of equity share capital + reserves and surplus reduced by deferred revenue expenditure (unamortised borrowing cost, unamortised origination cost and prepaid expenses).

“The Asset under Management” of our Company as at March 31, 2017 on a consolidated basis was ₹ 12,07,067 Lakhs.

Debt Equity Ratio of the Group:

	As on March 31, 2019
As at March 31, 2019	6.18

Note: Debt Equity = Total Debt (Debt securities, borrowing and subordinated liabilities) / Equity (Equity share capital and other equity)

Financial Parameters:

Particulars	FY 15*	FY 16*	FY 17*	FY 18**	FY 19**
Yield	21.1%	19.9%	19.4%	19.4%	20.8%
Net Interest Margin	11.3%	10.9%	10.8%	11.5%	12.9%
Cost to Total Income	56.0%	52.1%	47.9%	42.5%	36.8%
Return on Assets	4.2%	4.1%	1.8%	2.8%	4.2%
Return on Equity	21.5%	22.0%	9.4%	14.0%	24.5%

* Derived from Reformatted Financials under IGAAP.

** Derived from Reformatted Financials under Ind AS.

Figure disclosed in below table for Net worth, GNPA and Net Interest Income are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similar titled measures presented by other companies.

Recon of Net interest income as a percentage (%) of total income (standalone)

Particulars	(₹ in Lakhs)		
	For the year ended 2017	For the year ended 2016	For the year ended 2015
Interest income on loans	2,27,042	1,93,213	1,50,214
Interest on bank deposits	5,697	5,184	3,003
Interest on investments	3,442	5,388	3,500
Interest on loan to subsidiary	104	-	-
Total Interest Income (A)	2,36,285	2,03,785	1,56,717
Total Revenue (B)	2,64,257	2,27,694	1,72,024
Total Finance Costs (C)	1,03,437	95,076	70,860
Net Interest Income (D) = (A) - (C)	1,32,848	1,08,709	85,857
Net interest income as a % of total income (standalone) (D/B)	50%	48%	50%

Recon of Gross NPA % (Standalone)

Particulars	(₹ in Lakhs)		
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Gross Non-performing assets (Gross NPA) (A)	37,715	21,492	16,685
Portfolio loans (Current and non-current) (B)	11,27,869	11,03,736	8,60,976
Gross NPA % (Standalone) [(A)/ (B)]	3.34%	1.95%	1.94%

Recon of Net worth (Consolidated)

Particulars	(₹ in Lakhs)
	As at March 31, 2017
Share Capital	1,98,007
Reserve & Surplus	50,729
Less: Unamortised loan origination costs (Current)	2,989
Less: Unamortised loan origination costs (Non-Current)	6,397
Less: Unamortised ancillary cost of borrowings (Current)	346
Less: Unamortised ancillary cost of borrowings (Non-Current)	652
Less: Prepaid expenses (Current)	1,149
Less: Prepaid expenses (Non-Current)	6
Total	2,37,197

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Share Capital	201,150	198,007
Other Equity	157,154	68,236
Less : Prepayment	2,752	1,982
Total	3,55,552	2,64,351

Recon of Net worth (Standalone)

(₹ in Lakhs)

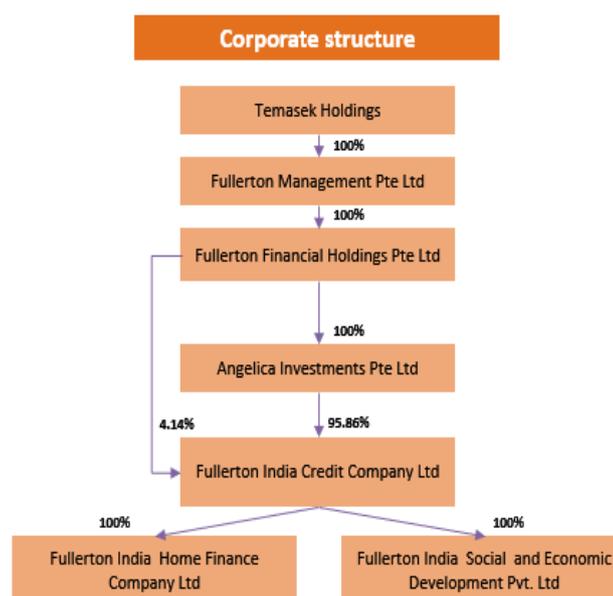
Particulars	As at March 31, 2017
Share Capital	1,98,007
Reserve & Surplus	52,395
Less: Unamortised loan origination costs (Current)	2,960
Less: Unamortised loan origination costs (Non-Current)	6,102
Less: Unamortised ancillary cost of borrowings (Current)	332
Less: Unamortised ancillary cost of borrowings (Non-Current)	611
Less: Prepaid expenses (Current)	1,133
Less: Prepaid expenses (Non-Current)	6
Total	2,39,259

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Equity Share Capital	201,150	198,007
Other Equity	164,037	75,093
Less : Prepayment	2,565	1,933
Total	3,62,622	2,71,167

Corporate Structure

The following chart outlines our corporate structure:



MANAGEMENT STRUCTURE

The following chart outlines our management structure:



CFO = Chief Financial Officer; CEO = Chief Executive Officer; CRO = Chief Risk Officer; CCO = Chief Compliance Officer; CTO = Chief Technology Officer

OUR FINANCIAL PRODUCTS

Our Company has three lines of business:

- (a) Urban Business;
- (b) Rural Business; and
- (c) Digital Business

We have well diversified, portfolio of products serving multiple asset classes not just across geographies. Such diversification helps us minimise business impacts arising from dependence on a specific product line. The geographical spread of our branch network facilitates servicing a large customer base while minimising dependency on small number of regions.

The following table provides a snapshot of AUM and disbursements of our Company's business for last five financial years:

A. Assets Under Management

(₹ in Lakhs)

Asset Under Management	As on March 31				
	2019	2018	2017	2016	2015
Urban	1,221,367	1,028,554	882,107	890,578	704,913
Rural	871,219	527,284	269,483	259,855	162,005
Digital	61,601	21,746	8,123	383	0
Total	2,154,187	1,577,583	1,159,713	1,150,816	866,918

B. Disbursements

(₹ in Lakhs)

Disbursements	As on March 31				
	2019	2018	2017	2016	2015
Urban	678,102	642,226	426,446	545,812	473,509
Rural	782,831	564,915	299,434	311,424	206,485
Digital	67,510	19,957	8,418	383	0
Total	1,528,443	1,227,098	734,297	857,619	679,994

Urban Business

Our Company provides financial products, suited for customers, for their personal and business use. We offer Business loans, Loan against Property & Commercial vehicles to self-employed and MSME customers. Our

Company offers Personal Loans to salaried and self-employed customers. We also offer individual and group insurance products to borrowers in collaboration with leading Insurance companies.

We recently expanded our product suite by introducing developer financing, loan against securities and Two-Wheeler loans with an objective to strengthen secured products portfolio. Our Company believes that its competitive advantage is derived from its extensive distribution network, analytics backed risk management practices, prudent use of cutting-edge technology and superior customer service. We leverage technology to offer best-in-class turnaround time and having a better understanding of the consumer needs which are not addressed or are underserved by the traditional banking system.

As of March 31, 2019, the Company's Urban Business has customers through its network of 229 branches across 22 states and 3 union territories, which has enabled our Company to build a diversified portfolio of secured and unsecured loans, supporting customer's consumption and income generation requirements.

The various products offered under our Urban Business include the following:

Personal Loans

Our Company caters to personal, business and professional financial needs of its customers across different segments and income streams. As of March 31, 2019, our Company, through its own sources and through wide sales and extensive distribution network of DSAs, has offered personal loans to almost 6,00,000 customers in 207 cities. These loans, unsecured in nature, range from ₹ 0.50 Lakhs to ₹ 10.00 Lakhs for self employed customers (which include self-employed professionals and self-employed non-professionals) and from 0.65 Lakhs to ₹25 lakh for salaried customers. The tenure of these loans range from 1 to 5 years. As of March 31, 2019, AUM of loans and advances for personal loans was ₹ 6,57,334 lakh.

Loans against Property

Our Company commenced this business in the year 2010 with the objective to increase its foothold in the secured loan market catering to self-employed and MSME customers. End use of funds is primarily towards working capital and capital expenditure requirements. These are 100% collateral backed loans.

Our Company offers tailor made loans according to the customer specific requirements, for short term and long term extending up to 15 years. The Company provides loans to self employed customers in the range of ₹ 5 Lakhs to ₹ 500 Lakhs. Similarly, loans to SMEs range from ₹ 500 Lakhs to ₹ 1,250 Lakhs with an objective to provide complete financial solution to maximize their business growth. The tenure of these loans ranges from 5 to 15 years. As of March 31, 2019, loans and advances outstanding for Loan against Property stood at ₹ 410,435 Lakhs.

Commercial vehicles

Our Company provides loans for commercial vehicles across segments, ranging from first time buyers to large fleet owners. The product offering covers small commercial vehicles to trailers and buses. The end use of the loans is for purchase of new and used vehicles. These loans range from ₹ 0.75 Lakhs to ₹ 100 Lakhs and are secured by hypothecation of the vehicles. The tenure of these loans range from 2 to 6 years. As of March 31, 2019, AUM loans and advances for commercial vehicles was ₹ 147,940 lakh.

Two Wheeler Loans

Our Company has recently commenced this business in March 2019 and offers loans for the purchase of two wheelers for personal use. Our customers in this vertical primarily include salaried and self-employed individuals. These loans range from ₹ 0.10 Lakhs to ₹ 30 Lakhs and are secured by hypothecation of the two wheeler vehicle. The tenure of these loans range from 1 to 3years. As of March 31, 2019, our outstanding loans and advances for two wheelers was ₹ 1.2 lakh.

Key processes followed for Personal Loans, Loan against Property, Commercial Vehicles & Two Wheeler loans during the lifetime of the loan are as under-

Initial evaluation

The underwriting process begins post collection of various documents from customers such as KYC, Proof of Income, Bank Statement, Other financial documents etc. We adhere to stringent credit policies while extending loans to customers. We undertake due diligence and, inter-alia, analyse the audited financial statements, verify bank account statements for previous six months, check the CIBIL database and examine credit history of the borrower. We run application score card for loan applications which acts as a basic qualifier and then eligibility is calculated basis the documents provided by applicant. After having completed our internal verification procedures, all documents submitted by the prospective customer are checked and verified. Thereafter, any discrepancies and / or gaps in such documentation are highlighted and sent to the prospective customer for corrections through Channels / Sales Team, explanations and re-submissions, as required.

Loan approval and disbursement process

Our loan approval process is a combination of centralized and decentralized approach to maximise operational efficiency depending upon product features. The concerned credit team evaluates loan proposal based on financial / income / banking documents provided by Applicant, verification reports and Bureau reports. After assessing credit history, credentials, information and meeting satisfactory requirement of product policy parameters, the applications are approved by appropriate credit authority. The applicant is intimated of the outcome of the approval process. If approved, the applicant is provided details of the loan amount, terms and conditions of such financing, including the rate of interest and the application of interest during the tenure of the loan. After sanctioning a loan, we execute the agreements in relation to the loan and the creation of security (for secured loans), with the customer. The loan amount is disbursed as a lump sum or in instalments depending on the terms and conditions of the loan.

For LAP and Mortgage Loans, our officials also consider other factors in the approval process including site visit reports, details gathered from interviews / Personal discussion visit and also use various tools to cross check customer's documents and details such as Hunter Check, Finfort, Probe42, ROC Search, Commercial CIBIL of Firm/Company, CMR Rating, Mortgage CIBIL of collateral, Property valuation by the empanelled Agency, Title search for specified years and Credit Rating are also checked, wherever applicable. For Vehicle finance, vehicle price is validated and margin money and other charges are collected prior to disbursement.

Loan administration and monitoring

For secured loans, the customer (and guarantor, if any) execute(s) the documents for the creation of security and the loan agreement which sets out the terms of the loan. For all loan products, loan repayment schedule is attached as a schedule to the loan agreement, which sets out the periodic repayment terms. We track loan repayment of our customers, on a monthly basis, based on outstanding tenure of loans, number of instalments due and defaults, if any. We ensure that all customer accounts are reviewed by our team at regular intervals, with customers who have larger exposures or missed payments reviewed more frequently

Post Disbursal Documents collection would be done for all Secured Loans (LAP/ Mortgage / CV) which includes our hypothecation in title documents / MOD and in Registration Certificate to safeguard our interest on the asset.

Collection and Recovery

We have units across our businesses whose responsibility is to streamline the collection and recovery activities for individual business. We believe that this helps the respective business groups to focus on business generation and collections while expert units focus on NPA management in a timely and efficient manner. We also believe that this enables timely involvement of recovery experts in the debtor management process.

Our field executives are responsible for collecting instalments, with each field executive typically having designated with a number of borrowers, depending on the volume of disbursements in the area or city. We believe that our loan recovery procedure is well suited to rural and semi-urban markets. The entire collection process is administered in-house. If a customer does not make instalment payments, our field executives identify the reasons for default and initiate action pursuant to our internal guidelines.

In the event of default, repossession is undertaken by an appointed panel of repossession agents, and in accordance with the internal guidelines, appropriate legal action is initiated in conjunction with the legal unit.

Developer finance

Our Company commenced this business in January 2019 with an objective of adding real estate developer relationships which will help in growing the home loan portfolio. We cater to developers undertaking residential projects in select locations. These loans are in the range of ₹ 1,000 lakh to ₹ 2,500 lakh. The tenor of these loans range from 12 to 60 months. As of March 31, 2019, loans and advances outstanding for developer finance was ₹ 5,017 lakh.

Customer Approval and Appraisal Process

The target segment comprises small to mid-sized developers having 5 years of experience with delivery of minimum 100,000 sq ft. Funding is at minimum 20-30% completion stage with consistent sales, collections and construction progress. We focus on micro markets with high absorption and low inventory overhang in Mumbai, NCR, Bangalore, Pune, Ahmedabad, Kolkata and Hyderabad. Our thorough due diligence process includes

- Borrower group and promoter profile due diligence where we study the developers' background, past and ongoing project details, financial and banking details, debt history and other outstanding loans etc.
- Collateral/security evaluation by external agencies which involves valuation of the project along with various approvals received by the developer for the project, and the title search report.
- Project assessment/overview where we study the micro market, total saleable area, number of units available for sale and market conditions, committed commencement and completion dates, percentage of work done, total cost incurred, receivables from sold units, pricing appropriateness and projections for the planned duration of the project.
- Cash flow and sensitivity analysis where cash flows of the project are analyzed on the rationale of sales, construction, approvals, contingencies and debt cost assumptions.
- Various credit checks include Consumer / Commercial CIBIL (with respective scores), CERSAI, ROC, various defaulters and fraud deduplication lists, NCLT, CDR. We also do checks on legal suits on the group and promoters, GST and banking transactions.

Loan terms and conditions are highly customized depending on the circumstances of each case with the variables being in the form of loan amount, tenor, principal moratorium, pre-payment ratio from collections, conditions and timelines for subsequent construction-linked progress of the project

Loan monitoring

We ensure that a strict project monitoring process post disbursement is followed. This includes quarterly site visits to evaluate technical progress of the project. All inflows from the project are controlled by us via escrow accounts. Sales, collection and construction progress is closely monitored throughout the life of the project, and compared with the projections agreed at the time of sanction. Proportion of prepayment to be maintained is also constantly reviewed depending on the progress of the project. Performance of the portfolio is also regularly reviewed by management and suitable actions are taken through necessary policy modifications.

Loan Against Securities

With an endeavor to enhance its secured product suite under 'Urban Business' vertical, our Company has commenced providing Loan Against Securities in March 2019. Currently, this product offering comes as an overdraft facility against pledge/lien of financial assets like listed equity shares, mutual fund units, exchange traded funds and bonds. Our customers generally comprise of HNIs, corporates, private trusts, HUFs, limited liability partnership firms etc. to monetise their investments (listed equity shares, mutual fund units, structured notes, bonds, debentures etc.) in order to raise capital for their personal, investments, or business financing needs. These loans are in range of ₹ 5 Lakhs to ₹ 500 Lakhs and for a tenor of 1 year. As of March 31, 2019, loans and advances AUM for loans against security was ₹ 300 lakh.

Customer Approval and Appraisal Process

A proper due diligence is conducted on the profile of the customer and collateral offered for the loan, keeping into consideration the concentration risk involved in funding against a particular security at a customer and entity level. Loan applications are initially assessed by sales /DSAs at sourcing stage. Our sales team/Agent meets customer in-person before proposing the loan application. Thereafter, loan application along with supporting documents are handed over to centralized credit team. Credit team processes the application on CRM (lead generation), Post document verification on CRM, application flows to FinnOne system where these application is evaluated by credit team,

Following underwriting assessment mechanism is followed by our credit unit for processing Loan Against Securities Application:

- Internal De-dupe check on Loan Management system and external de-dupe against negative database checks;
- CIBIL bureau check;
- Screening of cases by the fraud control team;
- Verification of data and KYC documents;
- Confirming the eligibility basis laid down policy parameters and approval matrix.

Documentation is completed and Limit in the account is provided after security perfection.

Loan Monitoring

Limit in the overdraft facility is provided to customer basis the actual securities pledged/lien marked in favor of our Company. Limit is granted after maintaining the margin, as per approved policy, on securities. Any shortfall in maintenance margin is communicated to customers for remedial action as per laid guidelines. Collaterals pledged/liens marked are monitored to meet margin maintenance. Interest is charged only on the amount utilized/ draw down by customer. Applicable interest is communicated to customer on monthly basis.

Insurance business

Our Company has a corporate agency licence with IRDAI and has collaborations with three life insurance companies (ICICI Prudential Life Insurance, Kotak Old Mutual life insurance and HDFC Life Insurance), two general insurance company (ICICI Lombard General Insurance and Bharti AXA General Insurance) and one health insurance company (Manipal Cigna Health Insurance) to offer their insurance products to loan customers at customer's discretion.

Rural Business

Our Company's Rural Business arm operates under the registered brand name of 'Gramshakti' offers a bouquet of products comprising of solidarity group loans, growing enterprise loans, loans against property, two wheeler vehicle loans, and other merchandise, consumer durable loans, catering to varied requirements of its customers.

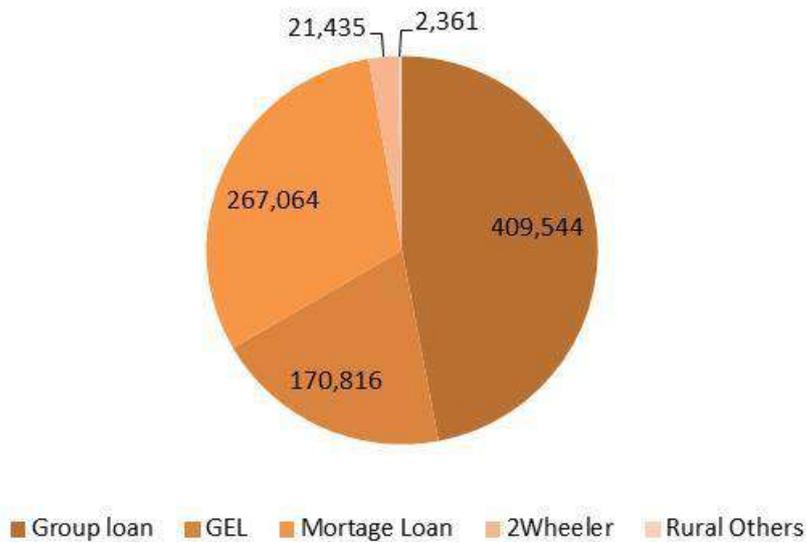


Our Company's strives to cover the last mile between its branch where financial services are made available and the home/ place of business of the customer with a strong network as on March 31, 2019 comprising of 397 branches, across 15 states namely, Tamil Nadu, Karnataka, Rajasthan, Gujarat, Andhra Pradesh, Maharashtra, Madhya Pradesh, Chhattisgarh, Uttar Pradesh, Haryana, Bihar, Odisha, West Bengal, Uttarakhand and Telangana. As on March 31, 2019, Gramshakti catered to over 30 Lakhs customers in India and continues to reach out to newer geographies to enhance its branch foot print.

Our Company, as a strategy, continues to focus on diversifying its spatial and product mix; strengthening the portfolio quality and digitising processes to enhance efficiencies across the chain.

As on March 31, 2019, the over-all Rural Business portfolio stood at ₹ 8,71,219 Lakhs and comprised majorly of Solidarity Group Loans ₹ 4,09,544 Lakhs, Growing Enterprise Loans ₹ 1,70,816 Lakhs, Two Wheeler Loans ₹ 21,435 Lakhs and Loan against Property ₹ 2,67,064 Lakhs. 33% of the Rural Business portfolio is secured in nature.

The Rural Business portfolio as on March 31, 2019 is as follows:



Gramshakti has adopted a multi-pronged approach towards assimilating technology as the very fibre of all branch activities including originations, collections, servicing as well as branch administration. Apart from the hand held device based originations introduced for solidarity group loans, following digital initiatives have been undertaken to lend Gramshakti the extra edge:

FINN ONE LMS	IC-4 COLLECTION SOLUTION	TW RAFTAAR PHASE 2	SOOCHAK Merchandise Product Delivery Tracking	DIGITAL REGISTERS	MERCHANDISE PRODUCT LOS
<ul style="list-style-type: none"> NG loan booking with better features Reduced TAT 	<ul style="list-style-type: none"> Audit trail availability PTP updates Settlement Mobility solution 	<ul style="list-style-type: none"> Document Upload Real time bureau BRE – In principle approval 	<ul style="list-style-type: none"> Track ML/CD product delivery Real time Mobile solution Vendors, branches and central team accessibility 	<ul style="list-style-type: none"> Digitized platform for all registers like- Key Movement, Vault etc. Faster data accessibility 	<ul style="list-style-type: none"> ML/CD LOS for digital onboarding of customers E2E web based solution

The digital initiatives have also been extended to the collection modes available to enable customers in making repayments in a hassle free manner.

Gramshakti Product Suite

Solidarity Group Loans for Women Borrowers

Gramshakti offers solidarity group loans (“**SG Loans**”) to women borrowers under the Joint Liability Group (“**JLG**”) Model. SG Loans are offered to a group of 4-10 women belonging to the same village or locality of homogenous nature and with similar socio-economic background. These bottom of the pyramid borrowers lack access to resources and often remain outside the ambit of formal finance with no or irregular access to credit products. SG Loans operate on the basis of individual liability and enable these customers to borrow leveraging socio-economic homogeneity. Aimed at enhancing the livelihood activities and living standards of the borrowers, these SG Loans are in the range of ₹ 20,000 to ₹ 50,000 and the tenor of the SG Loans ranges from 6-24 month. As a part of the SG Loans, our Company also offers merchandise loans for the purchase of livelihood products such as solar lamps, mobile phones and bicycles. These merchandise loans help our

customers to overcome the last mile barrier to purchase such products. As at March 31, 2019, our AUM loans and advances for SG Loans was ₹ 4,09,544 Lakhs inclusive of ₹ 13,014 Lakhs as advances under Merchandise Loans.

Customer Approval and Appraisal Process

The Gramshakti SG product offering and processes norm are inclusive of household income being higher than the ₹ 160,000, check on own house and verification thereof, assessed incomes at household level by Fullerton officers and reference checks.

The field officers visit the villages to conduct Gram Sabhas and introduce the organisation and services provided. Women members interested in accessing these services are encouraged to form group post which the applications for these interest customers are logged in. This is followed by an internal de-duplication check and external credit bureau check. The Continuous Group Training is then completed for the eligible borrowers in which different aspect of the loan product are explained to the borrowers. This process is completed in 3 sessions spread over 2-3 days. The branch manager then conducts a Group Recognition Test to assess the readiness of these applicants. Alongside, cash flow assessment for the borrower is completed supplemented by visits to household or business places of the applicants, reference checks from neighbours of residence or business premises; post which the application is sanctioned. Disbursement process including loan document execution is then completed at the branch and fund transfers initiated.

Gramshakti has introduced hand held devices based originations for its field officers. As a result, the turnaround time has been cut down by more than half to 3-5 days and has resulted in immense service to the prospective customers.

Portfolio Monitoring

Regular monitoring of portfolio is done centrally, based on sourcing and vintage as well. In case of aberrations, the portfolio is further analysed basis geography, loan tenure, loan amount, number of cycle etc. and regular analysis is done against the industry data published by the credit bureau. Accordingly, sourcing policies are calibrated to contain delinquencies within acceptable levels.

Collection and Recovery

Collections for all group loans is done from the group centres using a sell collect model. The date, time & place for the Centre meetings is fixed beforehand at the time of disbursement itself and our field officers visit the centres to conduct meetings at stipulated timings. In every centre meeting it is mandatory for all the members to have 100% attendance, wherein, monthly / fortnightly EMI gets collected.

In case of non-payment, following measures are taken:

- Regular visits to all customer places to collect pending dues
- SMS to remind on the overdue amount in vernacular languages
- SMS to educate customer about advantage of remaining non delinquent to improve their credit score
- VMS to reach out to increase effectiveness of such messages since these borrowers are often illiterate
- Demand notices in 30 + cases
- Lok Adalats are being conducted to recover from deep bucket customers

Growing Enterprise Loans

The growing enterprise loans (“**GEL Loans**”), are unsecured individual loans offered to self-employed or salaried individuals for the purpose of business or personal use. These GEL Loans are term loans up to 5 years and are in the range of ₹ 55,000- ₹ 3,00,000. Personal loans include Samriddhi loan and Garima loan offer to our existing solidarity group customers based on their repayment track record. These variant of loans supports in improvement of their livelihood and better sanitation and hygiene facilities. As at March 31, 2019, our AUM for loans and advances for GEL Loans was ₹ 1,70,816 Lakhs.

Customer Approval and Appraisal Process

Interested applicants are identified by the branch sales team in which they assess the profile of customer comprising of their stability as well as income stability, assets and liabilities and supporting documents are submitted. The field officers login the applications along with other necessary documentation post which the internal de-duplication check and credit bureau checks are completed. Post this, the credit team then further processes such customer applications by carrying out *inter alia* the following:

- Applicant’s address & business verification

- Screening of cases by the fraud control team
- Carrying out discussions in person with the customer basis risk profile
- Verification of data and KYC documents
- Confirming the eligibility basis the aforesaid policy parameters and approval matrix.

On the basis of the aforesaid, loans are approved and accordingly communicated to the customers. On completion of the underwriting and approval process, the loan documentation is executed with the customer basis which the loan is disbursed. We aim to appraise customers and complete disbursement within short turn-around-times while adhering to our internal standards and regulatory requirements.

Portfolio Monitoring

Regular monitoring of portfolio is done centrally, based on sourcing and vintage as well. In case of aberrations, the portfolio is further analysed basis geography, loan tenure, loan amount, number of cycle etc. and regular analysis is done against the industry data published by the credit bureau. Accordingly, sourcing policies are calibrated to contain delinquencies within acceptable levels.

Collection and Recovery

We give our customers an option to pay using methods such as cash, cheque, automated clearing house and other electronic modes of payment - at a frequency that is fixed after determining the customer's expected cash flow using a sell collect model. For cash collections, our field executives visit customers to collect instalments as they become due. We engage with the customers through SMS, VMS or face to face meetings, in accordance with the payment behaviour of a customer.

We track loan repayment schedules on a monthly basis and monitor instalments due and loan defaults. We ensure that all customer accounts are reviewed periodically, with customers who have larger exposures or missed payments being reviewed more frequently.

Our asset management teams generally have a collection function which manages all accounts moving into the delinquency stage. In addition, these teams are responsible for identifying signs of delinquency at an early stage, implementing appropriate recovery measures in order to prevent the degradation of accounts, instituting appropriate legal action (in conjunction with the legal team).

Mortgage Loans

Our Company offers loans against property to customers for their personal and business use such as working capital, expansion of business. The Company provides these in the range of ₹ 1 Lakhs to ₹ 15 Lakhs and the tenor of these loans are 1 year to 10 years. As of March 31, 2019, loans and advances AUM for Loan against Property stood at ₹ 2,67,064 Lakhs.

Keeping in mind the targeted clientele, the LAP offering has been customised particularly for financial inclusion of the sections who are often over-looked. The underwriting norms have been customised for this variant in several respects. This includes internal valuation, lighter documentation, and limited technical and legal searches. This helps in reaching out to customers who are often assumed to be ineligible for mortgage loans and deepens the customer relationships in branch catchments.

Customer Appraisal and Approval Process

One of the key eligibility criteria for approving a customer application is the customer's repayment capacity. This is determined by factors such as the customer's age, educational qualification, number of dependents and the stability and continuity of the customer's income, if applicable the co-applicant's income, assets and liabilities. It is supplemented by visit to business premises and market reference checks.

Subject to the regulatory limits, the loan amount is determined on the basis of our evaluation of customer's repayment capacity and property value. Value of the property is assessed by internal team and / or empanelled valuers subject to loan exposure extended. We also carry out legal diligence of the property/ customer through our empanelled lawyers and conduct site inspection. Keeping in mind the targeted customers, the approval process has been customized to include internal valuation, lighter documentation and truncated technical and legal searches.

Our loan approval process is documented to ensure operational efficiency. The concerned official evaluates a loan proposal based on policy guidelines and supporting documentation. In addition, our officials also consider

other factors in the approval process including site visit reports, details gathered from interviews, business vintage, past repayment record, banking habits and income sources.

Post underwriting completion the applications are approved at the appropriate credit authority level. The applicant is intimated of the outcome of the approval process. If sanctioned, the applicant is provided details of the loan amount, terms and conditions of such financing, including the rate of interest and other charges. Post sanction, the customer (and guarantor, if any) execute(s) the documents for the creation of security and the loan agreement which sets out the terms of the loan.

We follow the maker checker concept to disburse the loan application. The loan amount is disbursed as a lump sum or in instalments depending on the terms and conditions of the loan.

Portfolio Monitoring

Regular monitoring of portfolio is done centrally, based on sourcing and vintage as well. In case of aberrations, the portfolio is further analysed basis geography, loan tenure, loan amount, number of cycle etc. and regular analysis is done against the industry data published by the credit bureau. Accordingly, sourcing policies are calibrated to contain delinquencies within acceptable levels.

We track loan repayment of our customer, on a monthly basis, based on outstanding tenure of loans, number of instalments due and defaults, if any. We ensure that all customer accounts are reviewed by an office manager at regular intervals, with customer who have larger exposures or missed payments being reviewed more frequently. We carry out portfolio-level monitoring on a regular basis to help us take appropriate decisions for steering the portfolio in the desired direction.

Collection and Recovery

We give our customers an option to pay using methods such as cash, cheque, automated clearing house and other electronic modes of payment - at a frequency that is fixed after determining the customer's expected cash flow. We follow a sell collect model for all regular and DPD 1-30 cases while a parallel collection structure has been constituted for a focused approach on all other cases.

For cash collections, our field executives visit customers to collect instalments as they become due. We engage with the customers through SMS or face to face meetings, in accordance with the payment behaviour of a customer.

We have teams across our businesses whose responsibility is to streamline the asset management activities for individual business segments. We believe that this helps the respective business groups to focus on business generation and collections while expert teams deal with NPA management, repossessions and re-sale of assets in a timely and efficient manner. We also believe that this enables the timely involvement of recovery experts in the debtor management process.

Our asset management teams have a collection function which manages all accounts moving into the delinquency stage. These accounts are managed through either the collection of dues or the repossession and resale of assets through appropriate legal measures. In addition, these teams are responsible for identifying signs of delinquency at an early stage, implementing appropriate recovery measures in order to prevent the degradation of accounts, repossession of assets in cases of wilful default, valuation of assets, obtaining best possible prices on resale, minimizing repossession sale losses, instituting appropriate legal action (in conjunction with the legal team) and obtaining property details of the customer for attachment of the assets.

The repossession of assets typically only takes place when recovery is not possible. Re-possession is undertaken by an appointed panel of repossession agents, and in accordance with the guidelines prescribed by us. Once the asset is repossessed, the customer is given an opportunity to clear any outstanding amounts and take back possession of the asset, failing which we proceed with the sale of the asset. Any shortfall on sale of assets is recovered from the customer through arbitration loss recovery.

Two Wheeler Loans

Over the past few years the two wheeler industry has witnessed healthy growth scenario primarily driven by moderate to strong demand from rural areas owing to healthy economic scenario. We finance the purchase of two wheelers which are used primarily for personal purposes. Our customers in this vertical primarily include salaried and self-employed individuals. The Company provides these in the range of ₹ 0.29 Lac to ₹ 0.75 Lakhs and the tenor of these loans are 1 year to 3 years. As of March 31, 2019, loans and advances AUM for Two Wheeler Loans stood at ₹ 21,435 Lakhs.

Customer Approval and Appraisal Process

We source our clients through direct sales teams, authorised dealers and walk-ins at our branch network. Our sales teams have been equipped with a tab based application for carrying out digital on-boarding of customers. Tab based sourcing have been introduced for two wheeler loans using the 'Raftaar' App which confers an in-principle sanction within 10 minutes.

'Raftaar' App has helped to cut short the entire process for two wheeler ("TW") Loans and provides us an edge in delivering maximum customer value proposition. Post login, the bureau check is completed on the application. The customer is then identified and his credentials are evaluated and verified. Customers are required to provide two references. Reference check is then completed for the application by way of Tele-Verification calls or Contact Point Verification checks as required for the case. Post completion of the cash flow assessment the case is sanctioned for disbursement post evaluation on the basis of various parameter.

After confirming completion of the evaluation and approval process, the field executive explains the contents of the loan documents and based on the customer's request, provides copies of the executed loan documents to the customer. The fund transfer for the customer to the empanelled dealers is then completed to enable delivery of the vehicle to customer.

Loan Monitoring

Regular monitoring of portfolio is done centrally, based on sourcing and vintage as well. In case of aberrations, the portfolio is further analysed basis geography, loan tenure, loan amount, number of cycle etc. and regular analysis is done against the industry data published by the credit bureau. Accordingly, sourcing policies are calibrated to contain delinquencies within acceptable levels.

Collection and Recovery

At the outset of loan disbursement, we give our customers an option to pay using methods such as cash, automated clearing house and other digital modes of payment – at a frequency that is fixed after determining the customer's expected cash flow. For cash collections, our field executives visit customers to collect instalments as they become due. We track loan repayment schedules on a monthly basis centrally through a team which monitors instalments due and loan defaults. We ensure that all customer accounts are reviewed by an office manager at regular intervals, with customers who have larger exposures or missed payments reviewed more frequently.

Utilising a sell collect model, our field executives are responsible for collecting instalments, with each field executive typically having responsibility for a specified number of borrowers, depending on the volume of loan disbursements in the area. We are considering opening a new office to handle additional customers in the region in an effort to ensure that each office can closely monitor its risks and collections. We believe that our loan recovery procedure is well suited to rural and semi-urban markets. The entire collection process is administered in-house. If any customer misses their instalment payments, our field executives identify the reasons for default and initiate action pursuant to our internal guidelines.

In the event of default under a loan agreement, we may initiate the process for repossessing the two wheeler vehicle. We generally use external agencies to repossess collateral. Where appropriate, our collections department co-ordinates with our legal team and external lawyers to initiate and monitor legal proceedings.

Digital Business

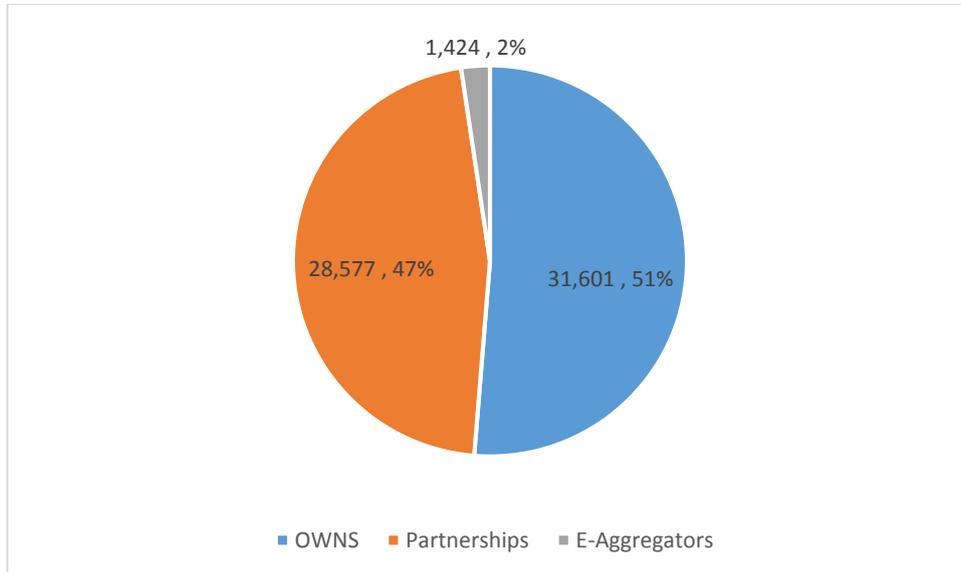
Our Company has been building digital loan solutions and integrating the same with our Company's technology platform, in order to cater to a larger customer base spread across various geographies. The Digital Business, enables our Company to reach beyond conventional segments (of customers serviced by other NBFCs), by inter alia offering instant in principle approval, and customised and hassle-free loans which caters to vast financial needs of all kinds of customers. Under this business, our Company provides loans to both- self employed and salaried customers. The entire processing of Digital Business, in our Company is undertaken through two centralised offices situated in Mumbai and Chennai respectively.

We have segregated our digital business, largely into 3 verticals (based upon the method of customer origination), namely:

- a. Direct to Customers (website and application)

- b. E-aggregator Marketplace
- c. Financial Technology platforms supporting Business to Business (“B2B”) (being MSME and SME loans) and Business to Consumer (“B2C”) (being consumer loans)

The AUM of our Digital Business as on (a) March 31, 2019 is as follows:



Customer Appraisal and Approval Process

In Digital Business, process of acquisition customer is one of the key differentiators, compared to traditional lending (undertaken by NBFCs). For our B2C loans, we source our customers, directly or through various popular platforms and through direct marketing to customers. Additionally, we also receive large number of customer applications reaching out to our Company through our website namely www.fullertonindia.com. We choose our business partners inter alia based on their development and deployment of a logic based risk assessment and measurement software system that analyses various types of historical and real time information, transaction graph (buying / spending history), credit worthiness (payment performance), social presence (networking / connections) and personal information. The credit worthiness of all our customers is assessed based on our Company’s credit policies which include the aforesaid parameters used by our business partner.

Majority of our customers are either salaried or are self employed. Our credit parameters for salaried and self employed customers which need to be met, for arriving at the eligibility, namely:

- *Salaried customers*: application score (which acts as basic qualifier) and income multiplier (for arriving eligibility to the approved extent of debt burden ratio (“DBR”))
- *Self employed customers*: application score and verified income program / surrogate programs (for arriving eligibility to the approved extent of DBR).

Our 2 (two) centralized offices each at Mumbai and Chennai provides document processing services to our digital businesses. Our Digital Business employs a paperless on-boarding journey. For all our customers catering to our Digital Business, the entire process from documentation submission to documentation verification are done through digital sources. Our digital document processing office, uses automated processes to minimize turn around time, with the help of bots, we ensure minimal to zero manual interventions. We provide real-time sharing of data and documents through Automated Processing Interface (“API”) and approvals are granted by our business rule engine (BRE) which has multiple policies and partnerships configured.

Loan Monitoring

Loans are processed after a thorough due-diligence of customer profiles. For Digital Business, there is a portfolio manager who keeps a close eye on each of the sourcing modes and their portfolio performances. If there is any increase in delinquency in any verticals, proactive measures are being taken to correct them and after analysing the root-cause corrective measure are being taken to avoid any such instances in future.

Collections and recovery

In order to have complete focus on collections, our Company has a separate collections team, which caters across all the geographies, where our Digital Business operates. We also use several analytical tools to predict the performance of the loan portfolio helping us to receive early warning signals which enables us to take corrective actions. We have defined collection strategy where the field referral is restricted to sub 20% as the customer contact ability is higher.

CREDIT RATINGS

Our current credit ratings for our Company as on the date of this Draft Shelf Prospectus are set forth below:

(₹ in Lakhs)

Products	CRISIL		ICRA		CARE		India Ratings	
	Amount	Credit Rating	Amount	Credit Rating	Amount	Credit Rating	Amount	Credit Rating
Bank Loan Facilities	8,00,000	CRISIL/AAA (stable)	8,00,000	[ICRA] AAA (stable)	1,00,000	CARE AAA; Stable	-	-
Secured Non-Convertible Debentures	8,20,000	CRISIL/AAA (stable)	5,46,400	[ICRA] AAA (stable)	3,43,500	CARE AAA; Stable	15,800	IND AA+/Stable
Market Linked Debentures	50,000	CRISIL PP-MLD AAAr/ Stable	-	-	-	-	-	-
Subordinated Debt	80,000	CRISIL/AAA (stable)	88,800	[ICRA] AAA (stable)	1,10,000	CARE AAA; Stable	35,400	IND AA+/Stable
Short Term Debt	-	-	1,00,000	[ICRA] A1+	-	-	-	-
Commercial Paper	3,00,000	CRISIL A1+	4,50,000	[ICRA] A1+	4,50,000	CARE A1+	-	-

Asset Quality

We maintain our asset quality by adhering to credit evaluation standards, limiting exposure and interacting with customers directly and regularly. We ensure that prudent LTV ratios are adhered to while lending. We ensure prompt collection and proper storage of post-disbursement documents. We periodically inspect, either by ourselves or by internal auditors, our customers and the assets financed on a random basis. Our employees conduct tele-verification of the customers' key details and close follow-up is undertaken to ensure timely collection and control overdues. The Company believes it follows the necessary risk management policies to ensure that the asset quality of its credit book remains predictable.

The table below sets out the details on the Company's NPAs, as the dates indicated (on consolidated basis):

(₹ in Lakhs)

Particulars	As at the end of March 31,	
	2019	2018
Total exposure to credit risk given in credit quality disclosure (A)	2,424,393	1,751,627
Maximum exposure to credit risk on Stage 3 Asset (B)	48,876	40,741
GNPA % (A/B)	2.02%	2.33%
Stage 1 Asset	2,335,752	1,678,118
Stage 2 Asset	47,644	38,538
Stage 3 Asset	40,997	34,972
12 month ECL (Stage 1)	46,020	33,620
Lifetime ECL (Stage 2 & 3 Assets)	25,126	18,297

The table below sets out the details on the Company's NPAs, as the dates indicated (on standalone basis):

(₹ in Lakhs)

Particulars	As at the end of March 31,	
	2019	2018
Total exposure to credit risk given in credit quality disclosure (A)	2,124,954	1,561,411
Maximum exposure to credit risk on Stage 3 Asset (B)	42,679	37,869
GNPA % (A/B)	2.01%	2.43%
Net NPA to Net Advances (%)	1.00%	1.42%
Stage 1 Asset	2,047,022	1,494,096
Stage 2 Asset	42,835	35,093
Stage 3 Asset	35,097	32,222
12 month ECL (Stage 1)	43,982	31,987
Lifetime ECL (Stage 2 & 3 Assets)	22,586	16,604

The following table sets forth details of our non-performing assets and provisions as at March 31, 2015, 2016 and 2017 on a consolidated basis.

(₹ in Lakhs)

Particulars	As of March 31,		
	2017	2016	2015
Portfolio Loans (Current & Non Current) (A)	1,175,223	1,106,159	860,976
GNPA (B)	37,789	21,492	16,685
GNPA % [(B)/ (A)]	3.22%	1.94%	1.94%
Provision for NPA	12,087	7,350	4,494
NNPA	25,702	14,142	12,191
Net NPA to net advances	2.21%	1.30%	1.44%
Provision towards Standard assets	24,341	8,469	5,164

The following table sets forth details of our non-performing assets and provisions as at March 31, 2015, 2016 and 2017 on a standalone basis.

(₹ in Lakhs)

Particulars	As of March 31,		
	2017	2016	2015
Portfolio Loans (Current & Non Current) (A)	1,127,869	1,103,736	860,976
GNPA (B)	37,715	21,492	16,685
GNPA % [(B)/ (A)]	3.34%	1.95%	1.94%
Provision for NPA	12,132	7,406	4,589
NNPA	25,583	14,086	12,096
Net NPA to Net Advances	2.29%	1.28%	1.41%
Provision towards Standard assets	23,864	8,460	5,164

CAPITAL ADEQUACY

The RBI mandates a minimum capital ratio consisting of Tier I and Tier II capital of 15% of its risk-weighted assets on its balance sheet and of risk adjusted value of off balance sheet items, and a minimum Tier-I capital of at least 10%. The table below sets out our Company's capital adequacy ratios and its Tier I and Tier II capital as of March 31, 2015, 2016, 2017, 2018 and 2019 on Standalone basis.

Particulars	As of March 31				
	2015	2016	2017	2018*	2019*
	(₹ in lakh)				
Tier I Capital	143,538	186,698	206,649	227,346	311,588
Tier II Capital	32,689	66,614	79,518	77,500	120,526
Total Capital	176,227	253,312	286,168	304,846	432,113
Tier I Capital Adequacy Ratio	15.92%	16.14%	16.28%	14.03%	14.16%
Tier II Capital Adequacy Ratio	3.63%	5.76%	6.26%	4.78%	5.48%
Total Capital Adequacy Ratio	19.55%	21.90%	22.54%	18.82%	19.64%

*Numbers as of March 31, 2018 and March 31, 2019 is under Ind AS

Provisioning norms

With the introduction of new accounting standards – Ind AS from the financial year 2018-19, our Company has started computing provisions on expected credit loss (ECL) model. Primarily, ECL accounts for credit losses in future based on observed portfolio behaviour rather than incidental provision computation in IGAAP. ECL Credit losses can be considered as difference observed between contractual future cash inflows and expected cash inflows. ECL accounts for two major characteristics: current behaviour of a financial instrument and observed portfolio losses in the portfolio over a period of time considering the time value of money and has following important parameters:

1. Exposure at default – Estimate of contractual cash inflows in future as on reporting date
2. Probability of default – Indicator of likelihood of default of financial instrument for a time period
3. Loss given default – Indicator of normalised loss incurred post default of financial instrument

Stage 1 includes financial instruments that have low credit risk as on the reporting date. For such assets, 12-month expected credit losses are computed on the exposure and interest revenue is accounted on gross asset value (without considering expecting credit losses). ECL is computed based on expected default events within 12 months since reporting date. It is a measure of likelihood of low credit risk portfolio transitioning to high credit risk (and losses post its transition) in next 12 months (“Stage 1”).

Stage 2 includes financial instruments that have higher credit risk than Stage 1 but with no objective impairment evidence. For such assets, lifetime expected credit losses are computed on the exposure yet interest revenue is accounted on gross asset value (without considering expecting credit losses). ECL is computed based on expected default events over the balanced loan tenure (“Stage 2”).

Stage 3 includes financial assets that have high credit risk and are considered default as per regulatory norms at the reporting date. For these assets, life time expected credit losses are computed based on empirical data and interest revenue is accounted on net asset value (considering credit losses) (“Stage 3”).

Further, additional provisions are provided for certain weak accounts that meets certain heightened risk criteria, such as political situations and exceptions to normal economic scenarios. Such factors are based on its expert judgement and relevant historical experiences.

RISK MANAGEMENT

Using optimal mix of judgmental criteria and a highly evolved analytics-backed decision-making platform, our Company manages risk through the life cycles of different customer segments across diverse lending products and across geographies. Credit norms are designed to achieve predictable risk adjusted returns with expected lifetime losses.

Our Company is one of the NBFC in India to implement recession loss multiplier which helps us to map portfolio volatility in the event of a likely slowdown in the economy through the use of sophisticated analytics. This helps our Company in maintaining a superior portfolio quality and enhancing its business profitability across product life cycle.

Our Company’s key principles of risk management comprise the following:

- Our Company has an independent risk management and governance function.

- Our Company maintains well documented credit risk policies and programmes with robust performance guardrails, as the basis of its structured risk management approach.
- Our Company extensively uses risk and business analytics.
- Credit bureau data is used as an integral part of informed decision-making and portfolio management.
- Our Company has invested in forward-looking risk assessment protocols; its pre-emptive credit and liquidity interventions have translated into proactive responsiveness to challenges.

Country Risk Assessment

Our Company utilises macroeconomic and portfolio indicators to arrive at an overall country risk outlook. The related risk assessment is a key input in deciding the risk appetite statement off the company. The country risk assessment is also applied across five critical areas (credit underwriting and liquidity policies, delegation authorities, exceptions, collections intensity and early warning triggers) depending on the outlook and corresponding management responses are initiated.

Risk framework

Our Company's risk management approach is based on understanding of desired risk appetite. The risk appetite framework approved by our Company's Board of Directors, covers different types of risks the organisation is exposed to and also clearly defines our Company's risk taking perimeters. Using this, the management decides the kind of segments to grow into, the products to be offered, the portfolio shape to be built and resources to be committed. The decisions are driven not only by return metrics like return on equity but also based on earnings volatility of such segments to take a "through the cycle" view incorporating economic, credit and market scenarios.

Our Company uses extensive statistical models that are aligned with approaches laid down in the internal ratings based norms of Basel II. Our Company periodically limits its risks through portfolio-level stress tests that assess the impact of extreme, though probable, stress scenarios (economic, credit, market and collateral aberrations) and their financial impact.

Our Company has various management committees to monitor and manage different types of risks. Credit committees are in place in order to provide decisions on higher value loan proposals. ALCO (Asset Liability Management Committee) is in place in order to measure, monitor and manage risks related to mismatches in inflows and outflows of funds. ORMC (Operational Risk Management Committee) is in place in order to track and manage operational risks.

Product Policy, Governance and Monitoring framework

Our Company adopts an independent approval process guided by the use of product programs, customer selection criteria, credit acceptance criteria and other credit underwriting processes for sanctioning and booking each loan.

Credit policies are designed by clearly defining target market, customer selection and credit acceptance criteria, credit approval methodology, verification, post disbursement monitoring, collections and remedial management policies. Credit policies are reviewed on a periodic basis based on changes in macro- economic, industry / segment level and customer level trends including Credit Bureau learnings.

The chairman of the risk oversight committee, chief executive officer, head of business and chief risk officer engage in an on-going appraisal of exposure caps, performance triggers, test programs and country risk assessments.

Credit Underwriting

An independent team governs the credit assessment, approval and administration processes. Processes are automated, wherever possible, to minimise human intervention. A business rules engine ensures changes in policy which can be immediately implemented at the branches. Our Company has, over the years, optimised its credit underwriting structures in urban retail and commercial businesses depending on the product nuances, to have a prudent mix of centralised, decentralised and hub-and-spoke models.

Cash Management Risk

Our branches collect a substantial amount of our customers' payments in cash. Lack of proper cash management practices could lead to losses. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest levels of compliance with our cash management systems. Customers are gradually migrating towards non- cash payment modes such as NACH and Digital.

Regulatory and Compliance Risk

Regulatory and compliance risk are the risks to earnings or capital arising from violations of, or non-conformance with, laws, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. The regulatory and compliance risk will also be result of any changes made in laws, rules or regulations to comply with. There may some differences in interpretation of regulations by the company vis-à-vis that of the regulators. Our Company obtain services from experienced professionals in different departments in order to take care of compliance with the applicable laws, rules and regulations and guidelines affecting company's business. Our Company also takes advice from external reputed consultants in respect to the laws, rules or regulations affecting the company's business.

Operational risk management

The operational risk framework is designed on both business and functional levels including business groups, credit, operations, corporate and support functions. An operational risk management committee supervises the management of operational risks.

Information security risk management

The information security function administers risk management at an enterprise level. The IT team is also responsible for managing and mitigating any risks that may emerge as a threat to data or the effective functioning of our Company.

Fraud risk management

Our Company's autonomous fraud management detects and eliminates fraud risks—from origination to credit acceptance to collection. A neural fraud risk system ('Hunter'), provides active fraud risk alerts, and has enabled significant savings.

Liquidity risk management

Our Company has implemented treasury policies to manage liquidity risks, investments, interest rate risk and borrowings. These policies articulate the governance framework, committee responsibilities and functions, risk measurement parameters, measures for managing stress situations, inbuilt alerts and other controls. Our Company's liquidity risk management principles include, diversification of sources, matching tenors of assets and liabilities and maintaining adequate liquidity buffers in order to mitigate liquidity risk.

Our Company has separate risk oversight committee, consisting of Directors of the Board / head of the departments, to consider implementation of policies and review of the overall portfolio credit performance and establishing effective and efficient risk tools for portfolio management and recommending improvements/ amendments thereto. The committee reviews the risk management processes, covering credit and underwriting controls, operations, technology and compliance risks.

The Company has in place a risk management committee and asset liability management committee (ALCO), consisting of directors and senior officials. They regularly meet and review the policies, systems, controls, and positions of the financing business.

We monitor liquidity risk through our ALCO e with the help of monthly liquidity and Asset Liability mismatch reviews. This involves the categorisation of all assets and liabilities in different maturity buckets and evaluating them for any mismatches in any particular maturity bucket, especially in the short-term. The ALM Policy has capped the maximum mismatches in the various maturities in line with RBI guidelines.

Market Risk

Risk Oversight Committee is involved in the formulation of policies for monitoring market risk. The risk is managed through close identification, supervision and monitoring of risks arising from movements in market rates such as interest rates, foreign exchange rates, traded prices and credit spreads, which may result in a loss of earnings and capital.

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TREASURY MANAGEMENT

Keeping adequate liquidity to support disbursements, treasury obligations, working capital and general corporate expenses along with ensuring optimal cost of borrowing remain priority for treasury of our Company. Our treasury is guided by the following three principles of liquidity management:

- Diversification of funding by instruments, lenders, lender types and geographies;
- Matching the tenor of asset and liability to minimise refinancing risks; and,

- Maintaining a liquidity buffer for contingency funding.

To maintain minimum dependence on single lender or even one lender type, the Company seeks to constantly diversify its lenders base. Our Company has various institutional lenders including banks, insurance companies, foreign portfolio investors, mutual funds, insurance companies, pension and provident funds thereby diversifying its funding sources. A healthy pipeline of bank funding is maintained at all times, adding to the quality of the funding profile.

Our Company has healthy proportion of term loans from public sector, private and foreign banks. This is followed by issue of non-convertible debentures and commercial papers from various capital market institutions which adds efficiency and balance to the funding book. The Company has raised the Rupee Denominated 'Masala' Bonds twice in FY 2016 and FY 2017.

The Company also has funding lines from Development Financial Institutions (DFI) such as International Finance Corporation (IFC) and SIDBI. To achieve further diversification, the Company has recently raised its maiden foreign currency loan by way of External Commercial Borrowings (ECB) from overseas lenders. Overall, the funding profile remains resilient to market volatility and provides optimally costing renewable relationships.

Our Company has a credit rating of 'CRISIL/ AAA (stable)' by CRISIL, '[ICRA] AAA (stable)' by ICRA, 'CARE AAA; Stable' by CARE and 'IND AA+/ Stable' from India Rating on its long-term debt instruments.

On the ALM front, the Company maintained an average borrowing tenor matching its average asset actuarial tenor. A selective mix of funding sources including bank borrowings and capital markets which are used to maintain optimal tenor, reduce mismatches and mitigate interest rate risks.

The Company optimises its liquidity buffer to remain adequately funded even in the event of any contingency. It maintains high quality liquid assets including cash and cash-equivalent instruments which can be easily liquidated. A cushion of fee paying committed lines and unavailed banklines is additionally maintained to add resilience to the treasury function.

The asset liability profile of our Company as at March 31, 2019 is as follows:

(₹ in Lakhs)

Particulars	Up to 30/31 days	Over 1 month upto 2 Months	Over 2 months upto 3 months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances	86,419	65,827	65,353	1,95,842	3,51,667	7,29,211	3,19,617	2,75,701	20,89,638
Investments	47,615	-	-	19,211	65,412	-	-	59,436	1,91,675
Borrowings	34,896	36,792	96,927	1,46,289	2,75,352	9,41,774	3,19,548	85,823	19,37,401

In addition to the above factors, our Company has established a strong treasury function that ensures the Company is well-funded for normal outflows like disbursements, expenses, repayments; even in case of contingencies.

EMPLOYEES

As of March 31 2019, our Company had 13,062 employees.

Our Company has built a highly capable workforce supported by recruiting and hiring fresh graduates. Moreover, our Company prefers to hire its workforce from the locality in which they will operate, in order to benefit from their knowledge of the local culture, language, preferences and territory. Our Company emphasises both classroom training and on-the-job skills acquisition. Post recruitment, an employee undergoes induction training to gain an understanding of our Company and its operations. Our Company's product executives are responsible for customer origination, loan administration and monitoring as well as loan recovery and this enables them to develop strong relationships with its customers. Our Company believes its transparent organisational structure ensures efficient communication and feedback and drives its performance-driven work culture.

Our Company endeavours to build common values and goals throughout the organisation, and strives to ensure a progressive career path for promising employees and retention of quality intellectual capital in our Company to avoid product executive attrition of employees. Our Company provides a performance-based progressive career path for its employees. Our attrition is in line with the industry and the companies we compete with.

Furthermore, our Company's human capital function plays an enabling role in creating an environment of growth and development for its employees.

Over the last few years, the Company has focused extensively on employee communication as a key intervention to enhance engagement, led by the CEO and the leadership team, covering all employees across locations through phone-casts, townhalls, location visits by the leadership team and more recently adopted digital communications channel called "LetzTalk", an online chat with employees on select topics. Through these initiatives the Company has successfully aligned employee aspirations and goals with the organisation's strategic priorities.

Our Company provides an inclusive and caring work environment. The Company's Code of Conduct sets high standards of integrity, conduct and workplace behavior. People policies are designed to ensure a healthy and safe workplace, free from discrimination or harassment where employees can raise complaints without fear of retribution.

The Company strengthened its performance measurement through a sharply defined organisational scorecard, duly approved by the Board, which in turn cascaded down to each business function. The company has also further instituted individual goal setting aligned to score cards. The strict 'Pay for Performance' philosophy is reflected through short and long-term incentives tied to performance metrics enabling consistent performers to be remunerated competitively.

The Company provides hands-on experience, exposure and education to its management staff through locally designed learning programmes.

The Company has also tied up with leading institutions such as IRMA (Institute of Rural Management Ahmedabad) instituting customized Management Development Programs to groom its middle management for leadership roles.

ANALYTICS

Our Company is one of the few NBFC's to use data driven analytics to shape its medium to long term business strategy. With an experienced team of analytics professionals with experience working across major financial institutions and consultancies, the company understands customers in the retail lending space as well as being able to interpret economic/environment changes and the impact on business profitability.

Advanced machine learning predictive models using bureau, internal and alternate data sources is being put to use across different stages of the customer lifecycle ranging from – predicting who is more likely to pick a loan offer to identifying the most profitable segments for origination to identifying the low risk customers in a portfolio for deepening relationships to prioritising collections and recovery efforts basis customer profile.

INFORMATION TECHNOLOGY

Digitisation

We are a digitised NBFC and continue to take steps towards being a fully digital lending company, with certain of our processes that are touch-less and paperless. Given below are the key elements of the revamped IT strategy and the achievements of our Company.

Digital technologies for digital business

A brand new digital integration platform referred to as 'Hubble' has been implemented to ensure a quick and customised integration process with our Fin-tech partners.

The digital business, in its quest to be completely digital, has also launched a BOTs (for automation of ten processes) using Robotic Process Automation. These BOTs allow the digital business to operate 24X7, ensuring the seamless processing of applications. In FY2019, they have processed more than 5,000 transactions.

Customer Lifecycle Digitisation

In FY2019, our Company implemented digital on-boarding through tablet and mobile apps for group loans, commercial vehicles, personal loans and two-wheeler loans. These tablet apps enable paperless processing and help reduce the turnaround time for the customer. In our Company, most of all the sourcing now happens digitally through a combination of mobile Appsapplications, tablets and websites.

Our Company also launched its servicing app 'mConnect' that enables customers to self-service as well log service requests and complains. 'mConnect' is available on both android as well as iOS phones. More than 250,000 service requests have been processed through the platform and forms 25% of the overall servicing. Also, its web portal has been enabled with Digital BOT DIA that helps customers resolve queries.

Enhancing tech capabilities

Our Company is investing on technology, software development and related people skills. As on March 31, 2019, there are 41 employees in the Technology team of our Company.

Our Company has also shifted from the traditional waterfall method of software development to agile software development. This allows our Company to respond quickly to changes in business needs, markets and regulations.

Building a secure, reliable and modern Infrastructure

Our Company has its own private cloud and is completely virtualised. It has invested in a brand-new disaster recovery capability, thereby ensuring continuity of business even against large scale disruptions.

COMPETITION

Our Company's primary competition historically has been other NBFCs, MFIs and the significant growth in the NBFC, MFI segment in recent periods has resulted in increased competition on our Company. In addition, our Company has been increasingly facing competition from domestic and foreign private sector banks, as applicable regulations currently permit foreign banks to establish wholly-owned subsidiaries in India. Foreign investment up to 74.0% is allowed in private sector banks under the current foreign direct investment policy which may further increase competition. However, some of its customers are not a focus segment for banks or large NBFCs, as these customers lack substantial credit histories and other financial documentation on which many of such financial institutions rely to identify and target new customers. Our Company believes its experience-based valuation methodology, its expanding product portfolio, growing customer base and relationship-based approach are key competitive advantages against new market entrants. Its primary competition comprises private unorganised financiers that principally operate in the local market. These unorganized financiers have significant local market expertise, but lack brand image and organisational structure. The small private financiers also have limited access to funds and may not be able to compete with our Company on interest rates extended to borrowers, which our Company is able to maintain at competitive levels because of its access to a variety of comparatively lower cost of funding sources and operational efficiencies from its scale of operations. However, unorganized financiers may attract certain clients who are unable to otherwise comply with its loan requirements, such as the absence of an acceptable guarantor or failure of the underlying collateral to meet its asset valuation benchmarks. For retail financing in urban areas, our Company competes with more conventional lenders, such as banks and other NBFCs.

Given the relatively minimal scale of its present operations in its other business lines, our Company does directly compete with others in these segments. However, as its operations in its other business lines expand, it may face significant competition in these segments in future.

BUSINESSES OF OUR SUBSIDIARIES

Our Company has two wholly-owned subsidiaries, Fullerton India Home Finance Company Limited ("FIHFCL") and Fullerton India Social and Economic Development Private Limited.

Fullerton India Home Finance Company Limited ("FIHFCL"):

Fullerton India Home Finance Company Limited (CRISIL AAA (Stable) / CRISIL A1+) is a wholly owned subsidiary of our Company and offers home loans, loan against property and developer finance loans to salaried, self-employed individuals and organisations. Fullerton India Home Finance Company Limited is registered with the National Housing Bank as housing finance company. FIHFCL was incorporated on August 12, 2010 and obtained a certificate of commencement of business on November 30, 2010. FIHFCL has its registered office in Chennai and corporate office is located in Mumbai. As on March 31, 2019 FIHFCL operates out of 82 branches. The business is conducted under the brand named Grihashakti. During the Fiscal 2019, assets under management grew by 61% to ₹ 3,06,452 Lakhs from ₹ 1,90,216 Lakhs in Fiscal 2018 and total revenue grew by 141% to ₹ 32,980 Lakhs in Fiscal 2019 from ₹ 13,690 Lakhs in Fiscal 2018.

Key performance indicators of FIHFCL:

Assets Under Management

(₹ in Lakhs)

Assets Under Management	As of March 31			
	2019	2018	2017	2016
Housing Loans	179,018	111,437	27,674	1,778
Loan Against Property	125,647	78,779	19,680	643
Developer Finance	1,786	-	-	-
Total	306,452	190,216	47,354	2,422

Geographical split of Assets Under Management

(₹ in Lakhs)

Assets Under Management	As of March 31			
	2019	2018	2017	2016
East	7,207	3,387	777	19
North	34,245	13,538	3,567	67
South	117,536	64,840	13,605	663
West	147,464	108,451	29,406	1,672
Total	306,452	190,216	47,354	2,422

Disbursements

(₹ in Lakhs)

Disbursements	March 31			
	2019	2018	2017	2016
Housing Loans	84,317	88,177	26,369	1,779
Loan Against Property	59,680	62,764	19,363	644
Developer Finance	1,786	-	-	-
	145,783	150,941	45,733	2,423

Financial Parameters

(₹ in Lakhs)

Particulars	Fiscal Year 2019
Total Revenue	32,980
Net Revenue	14,592
Profit After Tax	48
Cost to Income Ratio	68.2%
Net Interest Margin	4.9%

Fullerton India Social and Economic Development Private Limited (“FISEDPL”)

Fullerton India Social and Economic Development Private Limited was incorporated under the provisions of section 25 of the Companies Act, 1956 (*corresponding to section 8 of the Companies Act, 2013*) as a wholly-owned subsidiary of our Company. FISEDPL was converted to a private limited company on February 26, 2019 and a fresh certificate of incorporation was issued by the Registrar of Companies, Mumbai in relation to the same. Pursuant thereto, our Subsidiary, FISEDPL filed an application for ‘striking off’ its name from the register of companies vide e-form STK-2 on July 1, 2019.

AWARDS

The various Industry awards and recognition received by our Company in several areas including Data Quality, Technology and CSR bear testimony to our approach in harnessing talent to achieve excellence. Our Company has been awarded the following:

- Our Company was awarded The Golden Peacock Innovative Product & Services Award 2019
- Our Company was awarded an award for its IT platform at the Finnoviti Awards 2019
- Our Company featured in the Best of India Records, 2018 for its ‘Pashu Vikas Day’

- Our Company won two awards at the Drivers of Digital Summit & Awards for Best Content in a Digital Display Marketing Campaign & Best Content in a Performance Driven Campaign
- Our Company won three awards at the Future of Marketing Summit and Awards for the Best Internal Campaign & Best Low Budget Digital Campaign
- Our Company won Gold award at the Asian Customer Engagement Forum & Awards, 2018 for the Best PR Campaign
- Our Company won three awards – Best PR Campaign, Best Performance Driven Mobile Campaign & Best Email Marketing Campaign at the mCube Conference and Award
- Our Company was awarded the tag “Retail NBFC of the Year” by Outlook Money magazine
- Our Company was recognised as one of “Mumbai’s Hot Brands” at the Mumbai Brand Summit
- Our Company was awarded two Gold’s at the Digital Industry Awards 2017
- Our Company was deemed to have the “Best Social Impact & Best Employee Engagement Programme” of the year by ACEF Awards
- Our Company was deemed to have the “Best Social Responsibility Campaign/Project 2017” for its Pashu Vikas Day presented by DMAasia
- Our Company was certified to be ‘India’s 50 most admired brands’ by White Pages International
- Our Company ranked 6th in the ‘Dream Companies to work for’ presented by Times Ascent
- Our Company was recognised as the Retail NBFC of the year by Outlook Money in the year 2017
- Our Company won the Golden Peacock Award for HR Excellence in the year 2017

PROPERTIES

Our registered office is on lease and is located at Megh Towers, Third Floor, Old No. - 307, New No.- 165, Poonamallee High Road, Maduravoyal, Chennai- 600 095, Tamil Nadu. Our corporate office is on lease and is located at Supreme Business Park, Floor 5 & 6, B Wing, Supreme IT Park, Supreme City, Powai, Mumbai – 400 076, Maharashtra.

INSURANCE

We have taken a standard fire and special peril policy, burglary and theft policy, money insurance policy, fidelity guarantee policy, all risk policy, director and officer liability insurance, life and medical insurance for the employee.

INTELLECTUAL PROPERTY

Our Company, inter alia, owns the following trademarks

Mark (TM)	Logo	Class (TM)
FULLERTON INDIA (LABEL)		36
FULLERTON INDIA (LABEL)		36
HUMSE KARIYE DIL KI BAAT (DEVICE OF HINDI LANGUAGE)		36
FULLERTON INDIA (LABEL)		36
GRAMSHAKTI		36
GRAMSHAKTI		36

Mark (TM)	Logo	Class (TM)
GRAMSHAKTI FULLERTON INDIA		36
GRAMSHAKTI FULLERTON INDIA		36
Uday, ek nayi subhah		36
Fullerton India VERIFY		36
Fullerton India		36
GRIHASHAKTI Fullerton India Home Finance Co. Ltd.		36
IL Logo		9
IL Logo		36
fd FULLERTON DIRECT		36

CORPORATE SOCIAL RESPONSIBILITY

As a part of its Corporate Social Responsibility, our Company enables sustainable development and inclusive growth across communities. Our Company has implemented certain innovative socio-economic and environmental initiatives, in fulfilment of its role as a socially responsible corporate citizen. Our Company reaches out to the under-banked and unbanked by not just providing them with financial services but also by enabling the communities with services and skills that would help improve their standard and quality of living. Our Company's Corporate Social Responsibility (CSR) projects operate under the brand name - 'Uday – eknayisubhah', which signifies hope, thus fulfilling the Company's commitment in making a change in lives of the under privileged. Every CSR initiative of our Company is branded to build mass connect both for internal as well as external stakeholders.

The CSR programmes focus on four broad sectors - Livelihood, Health, Education and Environment.



For the financial year ended March 31, 2019, our expenditure towards CSR initiatives was ₹ 876 Lakhs.

HISTORY, MAIN OBJECTS AND KEY AGREEMENTS

Brief background of our Company

Our Company was originally incorporated on August 30, 1994 under the Companies Act, 1956 with the name of 'Dove Finance Limited' with the Registrar of Companies, Chennai. Our Company obtained its certificate of commencement of business on September 15, 1994. In 2005, one of our Promoters, Angelica Investments Pte Ltd, acquired controlling stake in Dove Finance Limited. Post the aforesaid acquisition, the name of our Company was changed to "First India Credit Corporation Limited" with effect from January 6, 2006 which was further changed to "Fullerton India Credit Company Limited" on January 8, 2007.

Angelica Investments Pte Ltd is the immediate holding company of our Company. Angelica Investments Pte Ltd, in turn, is the wholly owned subsidiary of Fullerton Financial Holdings Pte. Ltd.. Fullerton Financial Holdings Pte. Ltd., is a wholly owned subsidiary of Fullerton Management Pte Ltd, which in turn, is a wholly owned subsidiary of Temasek Holdings (Private) Ltd., Singapore.

Our Company is registered with the RBI as a Systemically Important Deposit Taking Non- Banking Finance Company ("NBFC") and holds a certificate of registration dated May 27, 2011 bearing number A-07-00791 issued by the RBI under section 45 IA of the RBI Act, 1934.

For further details regarding our Promoters see chapter titled "*Our Promoter*" beginning on page 145 of this Draft Shelf Prospectus.

Registered Office and changes to Registered Office of our Company

The Registered Office of our Company is situated at Megh Towers, Third Floor, Old No. 307, New No. 165, Poonamallee High Road, Maduravoyal, Chennai – 600 095, Tamil Nadu.

Originally, the registered office of our Company was located in the State of Tamil Nadu at 624, Mount Road, Chennai – 600 006. With the approval of Board, the Company changed its registered office from 624, Mount Road, Chennai – 600 006 to 17-A, Baliah Avenue, Mylapore, Chennai-600004 w.e.f January 22, 2000. With the approval of the shareholders obtained at the Annual General Meeting held on September 30, 2006 and the order of the Company Law Board, Southern Region dated May 29, 2007, the registered office of our Company was shifted to Building No.11, 2nd Floor, Solitaire Corporate Park, Andheri-Ghatkopar Link Road, Chakala, Andheri (East), Mumbai – 400 093 w.e.f. July 6, 2007.

Subsequently, with the approval of the shareholders obtained at the Extra-ordinary General Meeting held on March 8, 2010 and the order from the Company Law Board, Mumbai dated September 13, 2010, the registered office of our Company was shifted to 3rd Floor, No – 307, Venkat Towers, P. H. Road, Maduravoyal, Chennai – 600 095.

The address of the registered office was changed to Megh Towers, Third Floor, Old No. 307, New No. 165, Poonamallee High Road, Maduravoyal, Chennai – 600 095, Tamil Nadu w.e.f. June 19, 2012 with the approval of the Board of Directors.

Amalgamation, acquisition, re-organisation or reconstruction undertaken by our Company in the last one year

There have been no amalgamations, acquisitions, re-organisations or re-constructions undertaken by our Company in the last one year, preceding the date of this Draft Shelf Prospectus.

Key events, milestones and achievements

The table below sets forth the key events in the history of our Company:

Financial Year	Particulars
2005- 2006	Angelica Investments Pte. Ltd acquired controlling stake our Company
2009-2010	Entry into the rural business.
2010-2011	Commercial Vehicle business launched.

Financial Year	Particulars
2011-2012	Portfolio reshaped and segmental shift to mass affluent. LAP, SME business re-launched. In-sourcing of critical functions.
2013-2014	Rural network expanded to 115 branches. Funding diversified by tapping new sources of funding (private placement of subordinate debt).
2014-2015	Accelerated secured business, rural network operations process revamped.
2015-2016	Home Fin business launched. Digital deployment. Rural franchise expanded to 302 branches. Technology core system revamped by replacing the legacy loan management with an advance FinnOne system.
2018- 2019	<p>New Secured Products launched: Our Company offers loan against securities which comprise shares, mutual fund, bonds and exchange traded fund. The securities are selected basis liquidity and market capitalization and are pledged /lien marked in in favour of our Company before lending. We have procured and implemented, market benchmark, a collateral management system for realtime tracking of prices fluctuations.</p> <p>Developer Finance from our Company is to meet project finance requirements of real estate developers. The loans are secured against the mortgage of land, development rights and unsold units in the project. These projects are located in urban markets and targeting mid to affordable housing customers.</p> <p>Total Portfolio loans outstanding of ₹ 21,24,954. Lakhs as on March 31, 2019</p> <p>AAA ratings from top 3 rating agencies</p> <p>Our Company got its first AAA rating from CARE in 2015. Thereafter, we got maiden CRISIL AAA (stable) from CRISIL in 2018 and ICRA upgraded the ratings of our Company to [ICRA] AAA (Stable) in 2018.</p>

Our Company has over the past few years won the following awards:

- Our Company was awarded The Golden Peacock Innovative Product/Services Award 2019
- Our Company was awarded an award for its IT platform at the Finnoviti Awards 2019
- Our Company featured in the Best of India Records, 2018 for its ‘Pashu Vikas Day’
- Our Company won two awards at the Drivers of Digital Summit & Awards for Best Content in a Digital Display Marketing Campaign & Best Content in a Performance Driven Campaign
- Our Company won three awards at the Future of Marketing Summit and Awards for the Best Internal Campaign & Best Low Budget Digital Campaign
- Our Company won Gold award at the Asian Customer Engagement Forum & Awards, 2018 for the Best PR Campaign
- Our Company won three awards – Best PR Campaign, Best Performance Driven Mobile Campaign & Best Email Marketing Campaign at the mCube Conference and Award
- Our Company was awarded the tag “Retail NBFC of the Year” by Outlook Money magazine
- Our Company was recognised as one of “Mumbai’s Hot Brands” at the Mumbai Brand Summit
- Our Company was awarded two Gold’s at the Digital Industry Awards 2017
- Our Company was deemed to have the “Best Social Impact & Best Employee Engagement Programme” of the year by ACEF Awards
- Our Company was deemed to have the “Best Social Responsibility Campaign/Project 2017” for its Pashu Vikas Day presented by DMAasia
- Our Company was certified to be ‘India’s 50 most admired brands’ by White Pages International
- Our Company India ranked 6th in the ‘Dream Companies to work for’ presented by Times Ascent
- Our Company was recognised as the Retail NBFC of the year by Outlook Money
- Our Company won the Golden Peacock Award for HR Excellence

Key terms of material agreements

Our Company has not executed any material agreement to be disclosed.

Main objects of our Company (as contained in the Memorandum of Association)

1. To carry on and undertake the business of finance, hire purchases, leasing and to finance lease operations of all kinds, hire or letting on hire all kinds of durables, industrial and commercial goods and vehicles of all descriptions, machinery, equipment, tools and instruments of all descriptions, refrigerators, air conditioners, washing machines and other equipment of personal use or otherwise, television, mobile phones, tablets and all other types of electronic devices and equipment the company may think fit and to assist in financing and/or financing of all and every kind and description including working capital loans, loans against book debts, loans against receivables, consumer finance, personal loans, online personal loans, educational loans, lifestyle loans, agricultural loans, forex loans, mortgage loans, pledge loans, loans against shares, securities, capital market instruments, bill discounting, peer-to-peer lending, providing online platform for enabling crowd funding, providing technology platform for other entities, utilize technology platform provided by other entities directly or indirectly and promote the Company's business activities, and to provide fund based and non-fund based credits to various entities including but not limited to micro, small and medium enterprises, issuing of letter of credit, letter of guarantees, guaranteeing loans granted by other financiers, providing security for loans granted by other financiers, discounting of bills, hundies, cheques, drafts and deferred payment guarantees, engage in wholesale lending, financing the development of townships, development of real estate, construction of premises for residential/commercial/ industrial purposes, building of roads, canals, bridges, towers and other infrastructure projects, and to undertake financing the generation/co-generation, transmission, distribution and supply of power of all kinds, whether conventional or non-conventional or similar transactions and to subsidize or assist in subsidising or financing the sale and maintenance of any goods, articles or commodities of all, any, every kind and description, upon any terms what so-ever and to purchase or otherwise deal in all forms of immovable and movable property including land and buildings, plant and machinery, equipment, ships, aircraft, automobiles, computers and all consumer, commercial and industrial items and to lease or otherwise deal with them in any manner whatsoever including resale thereof regardless of whether the property purchased and leased be new and/or used, to undertake funding of infrastructure projects under build-own-operate- transfer or build-own-transfer model, undertake structured financing, syndicated/ syndication loans, take-out financing, mezzanine financing and such other financing models by whatsoever name called, for infrastructure as well as non-infrastructure purposes, to engage in purchase/sale of non-performing assets. Provided however that the Company shall neither carry on agricultural / plantation activities nor shall engage in real estate business, except development of townships, real estate covering construction of residential / commercial premises, roads/bridges etc.
2. To provide intermediary, broking and advisory services in the area of finance and to carry on the business as underwriters and brokers of stock, shares, debenture stocks, Government Bonds, Units of Unit Trust, National Savings Certificates, and other securities, hybrid instruments, derivatives, options, including providing a leasing advisory/counselling service to other entities and/or form the leasing arm of other entities.
3. To act as an issue house, merchant bankers, investment banker, registrar or share transfer agent, financial advisors, management consultants and financial consultants. To provide venture capital fund, private equity fund, custodial services, factoring services.
4. To act as buyers and sellers of all foreign exchange in the form of currencies, travelers' cheques, cards (pre-paid, credit or debit), bonds, notes, instruments, papers, documents and to establish and carry on business of White Label ATM networks in terms of Payment and Settlement Systems Act, 2007 independently or in association with other service providers as a joint venture or otherwise as may be permitted by the Reserve Bank of India subject to necessary approvals.
5. To carry on the business of Corporate Insurance Agents and / or Brokers for the General Insurance Companies and/ or Life Insurance Companies owned by the Central Government or State Governments or Government Corporations or Private Insurance Companies including Foreign Companies, by soliciting and

procuring all or any type of Insurance Policies for commission or on income sharing basis or on a fixed income basis.

6. To carry on and undertake the business of acting as direct selling agents, referrer, franchisee, licensee, authorized sales agents for any type of financial and saving instruments including fixed deposits, postal savings, bonds, debentures, other securities, mutual funds units, equity and preference shares and other type of securities of companies, life and non-life insurance products, all types of structured products designed by the Company or any other company(ies), off-shore products designed by foreign entities, to act as business correspondents for banks and/or various other entities subject to such guidelines as may be prescribed by the Reserve Bank of India from time to time, to act as collection, recovery agents, service providers for other entities engaged in similar business as the Company, to provide technology platform for other entities.
7. To undertake and carry on the business of servicers of loans and other facilities, purchasing or acquiring and or assigning, selling, conveying, transferring and disposing of, by any means including securitization, the receivables arising out of loans (whether secured or unsecured), standard or non-performing assets and / or the lease rentals and hire charges from the leasing or hire of equipment, machinery, vehicles and other assets (whether standard or non performing) including any underlying securities (where applicable) therewith and to undertake / participate in / share in the risks associated with such activity, if any.
8. (A) To issue, sell, market & design various payment products such as credit cards, charge cards, debit cards, stored value cards, smart card, value added cards, EMI cards, E-Wallet and other such payment instruments by whatsoever name and/or structure called and carry on activities such as entering into agreement with various entities for promoting/ marketing initiative of their products, to utilize the branch infrastructure by sub-letting for placing products for display, to leverage the database of customers, to organize and participate in the business promotion of events, distributing financial products through online common platform and to carry out any other similar activities for commission or on income sharing basis or on a fixed income basis.

(B) To issue such categories of prepaid payment instruments, including but not limited to co-branded prepaid payment instruments, operate payment systems, and undertake such activities in relation to payment, remittance and settlement system as may be permitted by the Reserve Bank of India from time to time.
9. To sponsor, coordinate, implement or promote research programs or projects of a developmental nature involving development of prototypes, pilot plant investigations etc., in the area of new sources of alternate energy, to establish and to maintain a technical library and / or information Centre and to collect and collate information regarding alternate energy sources.

Holding company

As on the date of this Draft Shelf Prospectus, Angelica Investments Pte Ltd, is the immediate holding company of our Company. Angelica Investments Pte Ltd, in turn, is the wholly owned subsidiary of Fullerton Financial Holdings Pte. Ltd.

Subsidiaries or associate companies

As on the date of this Draft Shelf Prospectus, our Company has 2 subsidiary companies: (a) Fullerton India Home Finance Company Limited and (b) Fullerton India Social and Economic Development Private Limited. Our Company has no associate companies. Our Company does not have any Joint Ventures.

Fullerton India Home Finance Company Limited (FIHFCL) is our wholly owned subsidiary and was incorporated on August 12, 2010. FIHFCL engages in home loans and loans against property. As on July 31, 2019, the paid-up equity share capital of FIHFCL stood at ₹ 30,803 Lakhs and its assets under management as on June 30, 2019 was at ₹ 369,605 Lakhs.

The main objects of FIHFCL are:

1. To carry on the business of providing housing finance, in all its wide and contemporary meaning, alone or jointly with other housing finance companies and / or banks in consortium or otherwise, to any person including individual, company or corporation, body corporate, firms, society or association of persons, public body or authority, supreme, local, or otherwise or other entities whether private or public sector, whether engaged in construction and development of buildings, offices or other infrastructure development or not, for or in respect of dwelling units, to provide finance or credit to borrowers for acquisitions (in all its connotations), purchase, repairs, construction, renovation, renewal, remodeling, extension, enlargement or erection of or to land, tenements, flats, houses, apartments, villas dwelling units, skyscrapers, co-operative housing society units, housing colonies, townships, including infrastructural facilities relating thereto or any part or portion thereof in India for residential purposes and /or commercial purposes either with or without interest or subsidized interest or with or without security upon such terms and conditions as the company may think fit, to own or sell residential dwelling units on lease, hire purchase or conditional sale basis, and to carry on the business of asset –based financiers in any manner whatsoever, to provide consultancy and advisory services in all matters and issues relating to housing, building and construction activities including relating to infrastructural development.
2. To carry on the business of providing finance or advancing money to any person including individual, company or corporation or society or association of persons for purchase and / or for the development of any land (other than an agriculture land), for the purpose of developing any town ships, condominiums, residential dwelling places and / or commercial spaces such as shopping malls.
3. To negotiate loans of every description and to finance or assist in financing the sale or purchase of houses, flats, apartments, shops and buildings either furnished or otherwise, by way of hire purchase or deferred payment or similar transactions and to institute, enter into, carry on, subsidize finance or assist in subsidizing or financing the sale or maintenance of any such houses, flats, houses, apartments, shops and buildings, furnished or otherwise as aforesaid.

Provided however that the Company shall neither carry on agricultural / plantation activities nor shall engage in real estate business, except development of township, real estate covering contraction of residential /commercial premises, roads/bridges etc.

4. To carry on business and to act as financiers, commission agents or in any other capacity in India and to sell, barter, exchange, pledge, make advance upon or otherwise deal in properties, houses, buildings, flats and apartments furnished or otherwise as aforesaid.
5. To carry on the business of Corporate Insurance Agents and / or Brokers for the General Insurance Companies and/ or Life Insurance Companies owned by the Central Government or State Governments or Government Corporations or Private Insurance Companies including Foreign Companies, by soliciting and procuring all or any type of Insurance Policies for commission or on income sharing basis or on a fixed income basis.

Fullerton India Social and Economic Development Private Limited is our wholly owned subsidiary. Since incorporation, the Company has not conducted any operations. It was converted into a private limited company on February 26, 2019. Fullerton India Social and Economic Development Private Limited has applied to the Registrar of Companies, Mumbai on July 01, 2019, for striking off its name.

The main objects of Fullerton India Social and Economic Development Private Limited are:

1. To manage social development and social security programs and to organise, conduct meetings, lecture, conferences, seminars, workshops, training and maintenance programs in various areas.
2. To promote means of livelihood in villages, towns, cities of India in multifarious fields/areas including dairy farming, biogas plants, horticulture, sericulture and modes of farming, animal husbandry, cottage industries, handicrafts, training of craftsmen and artisans by way of arranging marketing linkages, and facilitate credit and other allied financial services.

3. To set up documentation centers, libraries and reading rooms to document, upgrade and disseminate data and information by publishing in papers, journals, bulletins, pamphlets, magazines, books, tracts and in any other required form and the like on livelihoods, social development, human resource development and related fields.
4. To undertake projects and programs in various areas to promote self-employment, entrepreneurial ventures for livelihood advancements.

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 terms and provisions of the Articles of Association of our Company and the requirements of the applicable laws.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013. As on date of this Draft Shelf Prospectus, our Company has 8 Directors including 1 (one) executive director, 3 (four) non-executive directors and 4 (four) independent directors. Out of total 8 Directors, 2 (two) are women directors (including 1 (one) independent women director).

Details relating to Directors:

Name, Designation, Age, DIN, PAN, occupation and Term of Appointment	Nationality	Director of Company since	Address	Other Directorships
<p>Mr. Gan Chee Yen</p> <p><i>Age: 60 years</i></p> <p><i>Designation:</i> Chairman (Non-Executive Director)</p> <p><i>DIN:</i> 03602857</p> <p><i>Term of Appointment:</i> Liable to retire by rotation</p>	Singapore	August 25, 2011	79, Clover Way, Clover Park, Singapore – 579132	<ol style="list-style-type: none"> 1. CEI Ltd 2. Fullerton Financial Holdings Pte Ltd 3. Dunia Finance LLC 4. Fullerton Credit (Sichuan) Ltd 5. Fullerton Credit (Hubei) Ltd 6. Fullerton Credit (Chongqing) Ltd 7. Fullerton Credit (Yunnan) Ltd 8. Fullerton Credit (Shanghai) Ltd 9. Fullerton Investment Management Pte Ltd. 10. Cambodia Post Bank PLC, Cambodia 11. Surbana Jurong Private Limited 12. Dunia Services FZ LLC
<p>Mr. Hong Ping Yeo</p> <p><i>Age: 49 years</i></p> <p><i>Designation:</i> Non-Executive Director and Deputy Chairman</p> <p><i>DIN:</i> 08401270</p> <p><i>Term of Appointment:</i> Liable to retire by rotation</p>	Singapore	September 24, 2019	6 Cuscaden Walk # 16-02 Singapore-249691	<ol style="list-style-type: none"> 1. Fullerton Financial Holdings (International) Pte. Ltd 2. Lendingkart Finance Limited 3. Lendingkart Technologies Private Limited 4. Shanghai Fullerton Management Consultancy Co. Ltd
<p>Ms. Rajashree</p>	Indian	February 12,	601, Lamour	<ol style="list-style-type: none"> 1. Fullerton India Home

Name, Designation, Age, DIN, PAN, occupation and Term of Appointment	Nationality	Director of Company since	Address	Other Directorships
<p>Nambiar</p> <p><i>Age: 51 years</i></p> <p><i>Designation:</i> CEO and Managing Director</p> <p><i>DIN:</i> 06932632</p> <p><i>Term of Appointment:</i></p> <p>February 12, 2018 till February 11, 2021</p>		2018	Apartment, 15 th Road, Bandra West, Mumbai – 400050	<p>Finance Company Limited</p> <p>2. Humblerock Hospitality LLP</p>
<p>Mr. Anindo Mukherjee</p> <p><i>Age: 51 years</i></p> <p><i>Designation:</i> Non-executive Director</p> <p><i>DIN:</i> 00019375</p> <p><i>Term of Appointment:</i></p> <p>Liable to retire by rotation</p>	Indian	December 14, 2017	70, Grange Road, #04-01 Grange 70, Singapore - 249574	<p>1. Fullerton India Home Finance Company Limited</p> <p>2. LendingKart Finance Limited</p> <p>3. LendingKart Technologies Private Limited</p> <p>4. Fullerton Credit (Chongqing) Limited</p> <p>5. Fullerton Credit (Hubei) Ltd</p> <p>6. Fullerton Credit (Sichuan) Ltd</p> <p>7. Fullerton Credit (Yunnan) Ltd</p> <p>8. FFH S.E.A. Investments Pte Ltd</p> <p>9. FFH S.E.A. Investments (Singapore) Pte Ltd</p>
<p>Mr. Milan Shuster</p> <p><i>Age: 77 Years</i></p> <p><i>Designation:</i> Independent Director</p> <p><i>DIN:</i> 07022462</p> <p><i>Term of Appointment:</i></p> <p>October 1, 2017 to September 30, 2020</p>	Canada	December 30, 2014	Flat – C, 9/F, Block 3, Tung Chung Crescent, 1 Hing Tung Street, Lantau Island, Hong Kong – 999077	<p>1. Fullerton India Home Finance Company Limited</p>

Name, Designation, Age, DIN, PAN, occupation and Term of Appointment	Nationality	Director of Company since	Address	Other Directorships
<p>Mr. Premod P Thomas</p> <p><i>Age: 62 Years</i></p> <p><i>Designation: Independent Director</i></p> <p><i>DIN: 07252875</i></p> <p><i>Term of Appointment: October 1, 2018 to September 30, 2021</i></p>	Singapore	October 9, 2015	72C, Trevoze Crescent, Singapore – 297744.	<ol style="list-style-type: none"> 1. Capital Insights Pte Ltd Singapore 2. MGSA Private Trust, Singapore 3. Mapletree Commercial Trust MGT Ltd., Singapore 4. Gemstone Asset Holdings Pte Ltd
<p>Mr. Shirish Apte</p> <p><i>Age: 66 years</i></p> <p><i>Designation: Independent Director</i></p> <p><i>DIN: 06556481</i></p> <p><i>Term of Appointment: November 22, 2017 till September 30, 2020</i></p>	UK and OCI	November 22, 2017	Unit 03-02, Block C, 239, Arcadia Road, Singapore - 289845	<ol style="list-style-type: none"> 1. Fortis Healthcare Limited 2. Clifford Capital Pte Ltd 3. Pierfront Capital Mezzanine Fund Pte Ltd 4. AIG Asia Pacific Insurance Pte Ltd 5. IHH Healthcare Berhad 6. Acibadem Healthcare Group 7. Commonwealth Bank of Australia 8. Bank Handlowy
<p>Ms. Sudha Pillai</p> <p><i>Age: 69 Years</i></p> <p><i>Designation: Independent Director</i></p> <p><i>DIN: 02263950</i></p> <p><i>Term of Appointment: October 1, 2017 to September 30, 2020</i></p>	Indian	August 20, 2014	D-241, Sarvodaya Enclave, New Delhi – 110017	<ol style="list-style-type: none"> 1. Jubilant Life Sciences Ltd. 2. International Travel House Ltd. 3. Dalmia Cement (Bharat) Limited 4. Jubilant Generics Ltd. 5. Amber Enterprises India Limited 6. Dalmia Bharat Limited (formerly Odisha Cement Limited) 7. India Energy Exchange Limited 8. Fullerton India Home Finance Company Limited 9. ILJIN Electronics (India) Private Limited

No Director of our Company is a director or is otherwise associated in any manner with, any company that appears in the list of the vanishing companies as maintained by the Ministry of Corporate Affairs, wilful defaulter list maintained by the RBI and/or Export Credit Guarantee Corporation of India Limited.

Profile of Directors

Mr. Gan Chee Yen

Mr. Gan Chee Yen, aged 60 years, is the chairman of our Company. He is also the CEO at Fullerton Financial Holding International Pte Ltd (“**FFHIPL**”), a wholly-owned subsidiary of Temasek Holdings, invest in financial institution in emerging markets. Prior to his current appointment at FFHIPL, he was the Co-Chief Investment Officer and senior managing director at Temasek International Pte Ltd. He has been a Board member of FFHIPL and a Board Commissioner of Bank Danamon Since 2003. He currently on the Board of several Temasek portfolio companies such as Surbana Jurong Private Limited and CEI Limited. He is a member of the Institute of Singapore Chartered Accountants. He received his Bachelor of Accountancy from the National University of Singapore. He also participated in the Harvard Program for Management Development in 2001.

Mr. Hong Ping Yeo

Mr. Hong Ping Yeo, aged 49 years, is the Deputy Chairman and Non-Executive Director of our Company. Mr. Hong Ping Yeo comes with more than 20 years of work experience in financial services. As president of our Promoter, Fullerton Financial Holdings Pte. Ltd, he oversees the building of our Promoter’s franchise and is responsible for developing growth through strategic investments and partnerships. In his role, he also manages the finance, treasury and legal functions of our Promoter, Fullerton Financial Holdings Pte. Ltd.

Before joining Fullerton Financial Holdings Pte. Ltd, he was the managing director of J.P. Morgan and was responsible for its overall investment banking business in Singapore. He also served as a member of the senior management committee of J.P. Morgan, Singapore and member of board of J.P. Morgan (SEA). He previously held other senior appointments including head of real estate investment banking and head of corporate finance in Southeast Asia.

Ms. Rajashree Nambiar

Ms. Nambiar, aged 51 years, is the CEO and MD of our Company. In this role, she is responsible for the overall corporate strategy of our Company and its subsidiaries. Prior to joining our Company, she served as the CEO and Executive Director of India Infoline Finance Ltd, the NBFC arm of IIFL group. Prior to joining India Infoline Finance Ltd, Ms. Nambiar spent 22 years with Standard Chartered Bank within the retail segment where she held various management roles such as Head of Branch Banking, Country Head of Distribution and General Manager - Distribution & Alternate Channels, India & South Asia. Her last position at the Bank was as Head of Retail Products for India & South Asia. Ms. Nambiar is an MBA from Jamnalal Bajaj Institute of Management Studies.

Mr. Anindo Mukherjee

Mr. Mukherjee, aged 51 years, is a non-executive director of our Company. He has over 25 years’ financial services experience covering Commercial and Consumer Banking business across Asia. As Chief Operating Officer, he oversees the company’s operational activities and works closely with the investee companies to implement their business plans, manage risk and governance and develop operational capabilities. Prior to joining FFH, he held various senior roles including chief risk officer at our Company, Regional Credit Officer for the Consumer Business for South Asia at Standard Chartered Bank & Head of Retail Credit & Risk at HDFC Bank. Anindo started his initial career at Bank of America and ABN Amro Bank.

Mr. Milan Shuster

Mr. Shuster, aged 77 years, is an independent director of our Company. He is a professional with several decades of experience in the banking sector. He has served in various capacities at Asian Development Bank, ING Bank, National Bank of Canada and Nippon Credit Bank. After working as the President and CEO of P.T. Bank PDFCI, Indonesia, he held several stints at Bank Danamon Indonesia. He became its president and CEO and later its independent commissioner. He holds PhD in international law and economics from Oxford University, Master of Law from London School of Economics, Bachelor of Law from University of Western Ontario and Bachelor of Business Administration from Ivey Business School.

Mr. Premod P Thomas

Mr. Thomas, aged 62 years, is an independent director of our Company. He is currently serving as the MD and Head of Corporate Strategy at Clifford Capital Pte. Ltd, a specialist project and asset-backed finance company in Singapore. He is concurrently the Founder and CEO of Capital Insights Pte. Ltd., an investment holding company which focuses on private investment and strategy consulting. He serves as Independent Director and Member of the Audit & Risk Committee of Singapore-listed Mapletree Commercial Trust Ltd, Independent Chairman of the Investment Committee of MGSA Private trust and Independent Director of Gemstone Asset Holding Pte Ltd in Singapore. Prior to this, he has held senior positions in finance and banking with Temasek Holding Ltd, Standard Chartered Bank, and Bank of America. Mr. Thomas holds an MBA from the Indian Institute of Management, Ahmedabad (PGDM), and a Bachelor of Commerce Degree from Loyola College, Chennai.

Mr. Shirish Apte

Mr. Apte, aged 66 years, is an independent director of our Company and is serving as director in several other boards. He has spent over 32 years with Citibank across several countries and geographies. He was the Chairman of Citibank Asia Pacific Banking from 2012 to January 2014 before retiring from Citibank. Prior to that, he was regional CEO for Citibank businesses in the Central/Eastern Europe, Middle East & Africa, and co-CEO for Citi Asia Pacific. He has a Bachelor of Commerce degree from Calcutta University, and a Master of Business Administration degree from London Business School and qualified as a Chartered Accountant from the Institute of Chartered Accountants England and Wales.

Ms. Sudha Pillai

Ms. Pillai, aged 69 years, is an independent director of our Company. She is a 1972 batch IAS officer who held numbers of senior positions in the Government of India (GOI) and the State Government of Kerala for 40 years. She handled industry and finance portfolios for nearly twenty years. In GOI, she worked in the Ministries of Industry, Corporate Affairs, Labour and Employment. She contributed notably to 1991 reforms in Industrial and FDI Policies, as also in bringing amendments to corporate laws and in formulation of the National Skill Development Policy. In Kerala, as Principal Secretary of Finance, she worked to achieve enhanced development outcomes, coupled with efficient fiscal management. Earlier, as CMD, Kerala Finance Corporation, she had dealt with the project financing to SMEs. Her last assignment was as Member Secretary (in the rank of Minister of State) Planning Commission, GOI. She is currently on the boards of many other companies. She holds a masters' degree in Public Administration from Kennedy School of Government, Harvard University.

Relationship between Directors

The Directors are not related to each other.

Remuneration of the Directors

The Nomination and Remuneration Committee (“NRC”) of the Board reviews and assess Board composition, recommends appointment of new directors and suitable remuneration for such directors.

Details of remuneration (including commission) paid/payable to our Directors during the financial year ended March 31, 2019 by our Company are as follows:

(₹ in Lakhs)

Name of the Director	By our Company (Remuneration (including commission) /Sitting Fees)
	For year ended March 31, 2019
Gan Chee Yen	NIL
Rajashree Nambiar	434.57
Anindo Mukherjee	NIL
Milan Shuster	22.75
Premod P Thomas	20.75
Renu Challu**	23.25
Shirish Apte	11
Sudha Pillai	22.25
Kenneth Ho*	NIL
Shantanu Mitra***	179.50

*Resigned with effect from October 26, 2018.

**Resigned with effect from August 4, 2019.

*** Retired with effect from December 31, 2017. The payout is on account of encashment of SAR.

Pursuant to the resolutions passed by the Board at its meetings held on 19 June 2014 the Independent Directors and eligible Non-Executive Director(s) are entitled to sitting fees/ remuneration as under:

Meeting	Overall limit per Director per meeting (₹)
Meetings of the Committees constituted by the Board	50,000
Meeting of the Board of Directors and other required Meetings	75,000

Terms and conditions of employment of Chief Executive Officer and Managing Director

Chief Executive Officer and Managing Director- Ms Rajashree Nambiar

The remuneration paid to Ms Rajashree Nambiar for the financial year ended March 31, 2019 was ₹ 434.57 Lakhs.

The general terms of the employment of the Chief Executive Officer and Managing Director are as under:

(i) Salary:

₹ 297.79 Lakhs per annum.

(ii) Perquisites:

- a) In addition to the salary Ms. Nambiar is also entitled to perquisites which would include use of Company car, reimbursement of fuel, car maintenance, car insurance and driver salary expenses, contribution to provident fund, gratuity, medical insurance for self and family, accident insurance and life insurance for himself and club membership.
- b) Performance linked bonus in addition to the bonus payable under the Payment of Bonus Act, 1965.

Terms and conditions of employment of Chief Financial Officer

Appointment and Remuneration of Chief Financial Officer

Mr. Pankaj Malik was appointed as Chief Financial Officer w.e.f. March 15, 2016.

The remuneration payable to our Chief Financial Officer is as follows:

(i) Salary:

₹ 112.47 Lakhs per annum.

(ii) Perquisites:

- a) In addition to the salary Mr. Malik is also entitled to perquisites which would include contribution to Provident Fund, Gratuity, medical insurance for self and family, accident insurance and life insurance for himself and club membership.
- b) Performance linked bonus in addition to the bonus payable under the Payment of Bonus Act, 1965.

Total Remuneration of ₹ 146.63 Lakhs per annum, inclusive of basic salary, allowance and such other elements were paid for the year ended March 31, 2019.

Borrowing Powers of the Board

At the meeting of the Board of Directors of our Company, held on March 13, 2019, the Directors approved the issue of NCDs to the public in one or more tranches, upto an amount not exceeding ₹ 2,00,000 Lakhs (Indian Rupees Two Hundred Thousand Lakhs). Further, the present borrowing is within the overall borrowing limits of ₹ 32,00,000 Lakhs (Rupees Thirty Two Hundred Thousand Lakhs) under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders vide their resolution dated April 8, 2019.

Interest of the Directors

All the directors of our Company, including our Independent Directors, may be deemed to be interested to the extent of sitting fees/commission/remuneration, if any, and reimbursement of expenses payable to them. The Chief Executive Officer and Managing Director of our Company is interested to the extent of remuneration paid for services rendered as an officer or employee of our Company. The Chief Financial Officer of our Company is interested to the extent of remuneration paid for services rendered as an officer or employee of our Company.

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.

None of our Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of our Company. None of the Directors have any interest in immovable property acquired or proposed to be acquired by our Company in the preceding two years as of the date of this Draft Shelf Prospectus.

Our Company's directors have not taken any loan from our Company.

None of the relatives of the Directors have been appointed to an office or place of profit.

Debenture holding of Directors:

As on the date of filing of Draft Shelf Prospectus, none of the Directors of our Company hold any Debentures issued by our Company.

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 this Draft Shelf Prospectus are as follows:

Sr. No.	Name and Designation	Date of Appointment / Resignation	Director of the Company since (in case of resignation)
1.	Mr. Kenneth Ho	October 26, 2018	

Sr. No.	Name and Designation	Date of Appointment / Resignation	Director of the Company since (in case of resignation)
	Designation: Non-Executive Director DIN- 07334898	(Resignation)	November 20, 2015
2.	Mr. Shantanu Mitra Designation: CEO and MD DIN- 03019468	December 31, 2017 (Retirement)	August 25, 2011
3.	Ms. Renu Challu Designation: Independent Director DIN- 00157204	October 1, 2017 (Re-appointment) August 04, 2019 (Resignation)	August 20, 2014
4.	Ms. Sudha Pillai Designation: Independent Director DIN- 02263950	October 1, 2017 (Re-appointment)	Not applicable
5.	Mr. Shirish Apte Designation: Independent Director DIN- 06556481	November 22, 2017 (Appointment)	Not applicable
6.	Mr. Anindo Mukherjee Designation: Non-Executive Director DIN- 00019375	December 14, 2017 (Appointment)	Not applicable
7.	Ms. Rajashree Nambiar Designation: CEO and MD DIN- 06932632	February 12, 2018 (Appointment)	Not applicable
8.	Mr. Milan Shuster Designation: Independent Director DIN: 07022462	October 1, 2017 (Re-appointment)	Not applicable
9.	Mr. Premod P Thomas Designation: Independent Director DIN: 07252875	October 1, 2018 (Re-appointment)	Not applicable
10.	Mr. Rajeev Kakar Designation: Non-Executive Director DIN: 01888608	April 11, 2017 (Resignation)	August 31, 2009
11.	Mr. Hong Ping Yeo Designation: Non-Executive Director and Deputy Chairman DIN: 08401270	September 24, 2019 (Appointment)	Not applicable

Shareholding of Directors, including details of qualification shares held by our Directors

As on the date of this Draft Shelf Prospectus, none of our Directors hold Equity Shares.

However, Ms. Rajashree Nambiar holds 1 equity share as nominee on behalf of Angelica Investments Pte Ltd.

Details of various committees of the Board of Directors

Our Company has constituted the following committees:

1. Audit Committee

The Audit Committee was constituted on May 10, 1996 and last reconstituted on October 26, 2018. The members of the Audit Committee are:

Dr. Milan Shuster	Chairman
Mr. Anindo Mukherjee	Member
Ms. Sudha Pillai	Member

The Audit Committee shall have the following role and responsibilities:

- (a) To review and make recommendations for appointment and removal, remuneration and terms of appointment, of internal and external auditors of the company;
- (b) To review and monitor the auditors' independence and performance, and effectiveness of internal and external audit process;
- (c) To formulate the scope, functioning, periodicity and methodology for conduction the internal audit and to approve the internal audit plans;
- (d) To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (e) Reviewing the half-yearly and annual financial statements before submission to the Board, focusing primarily on –
 - (i) Any changes in accounting policies and practices and the reasons for the same.
 - (ii) Major accounting entries involving estimates based on exercise of judgment by management.
 - (iii) Significant adjustments made in the financial statements arising out of audit findings.
 - (iv) The going concern assumption.
 - (v) Compliance with accounting standards.
 - (vi) Compliance with legal requirements concerning financial statements.
 - (vii) Matters falling under the terms of reference of the committee and to be included under 'Directors' Responsibility statement' of the Board's report
 - (viii) Any related party transactions
- (f) Examinations of the internal and external auditors' reports, qualifications/reservations/, adverse remarks/observations of the auditors and discuss any related issues with the internal or statutory auditors and the management of the company;
- (g) Reviewing with the management, external and internal auditors, the adequacy of internal control systems, hold discussions with the auditors periodically about internal control systems, call for the auditors comments, and also review compliance of internal control systems;
- (h) Discussion with internal auditors on any significant findings and follow up thereon;
- (i) Reviewing the findings of auditors where there is fraud or suspected fraud or irregularity or a failure of internal control systems of a material nature, replying to the letters by auditors on matters of frauds and reporting the matter to the Board;
- (j) Ensure that systems are in place for evaluation of the risk management policies and risk management systems;
- (k) To look in the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (l) To approve and make suitable recommendations to the Board, where necessary with regard to the transactions of the company with related parties and any subsequent modifications therein';
- (m) To conduct scrutiny of inter-corporate loans and investments;
- (n) To approve valuation of undertakings or assets of the company, or net worth of a company or its liabilities under the provision of the Companies Act wherever it is necessary by such valuer as may be deemed fit;
- (o) To monitor the end use of funds raised through public offers and related matters;

- (p) To oversee establishment of a vigil mechanism for directors and employees, to examine the reports under the vigil mechanism and to take suitable action against complainants including reprimand in case of repeated frivolous complaints;
- (q) To approve provision of any other services by auditors apart from audit, except those which are prohibited and advice on the remuneration to be paid for such services;
- (r) To review statement of significant related party transactions, submitted by management;
- (s) To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions from time to time.

2. Risk Oversight Committee

The Risk Oversight Committee was constituted on September 5, 2006 and last reconstituted on August 19, 2019. The members of the Risk Oversight Committee are:

Mr. Premod P Thomas	Chairman
Mr. Anindo Mukherjee	Member
Ms. Sudha Pillai	Member

Terms of reference of the Risk Oversight Committee are in compliance with applicable law. The Risk Oversight Committee will control and manage the inherent risks relating to the Company's activities in the following categories:

(a) Credit Risk

In general Credit Risk covers credit acceptance criteria, origination and approval, pricing, portfolio management and problem loan management process.

To manage the credit risks, Risk Oversight Committee will:

- (i) Implement Core Credit Policies and Remedial Management Policies of the Company;
- (ii) Review overall portfolio of the Company and establish concentration limits by: (a) Secured and Clean; (b) Tenors and (c) Customer Segments.
- (iii) Determine the portfolio quality by reviewing NPLs loan loss provision, write-offs and status on recoveries from defaulted borrowers;
- (iv) Review product programs and recommend improvements / amendments therein.

(b) Market Risk / Liquidity Risk

Market Risk is a control system which allows the management to closely identify, supervise, and monitor risks due to movements in market rates or prices such as interest rates, FX rates, equity prices, currency risk and credit spreads, which may result in a loss to earnings and capital.

The Risk Oversight Committee will formulate the policies for monitoring the market risk.

Liquidity risk is defined through a liquidity framework which can comprise of actuarial maturity and cumulative gap reports, daily inter Company borrowing capabilities and stress tests.

Liquidity risk will be managed by the Asset Liability Committee (ALCO), based on the Company's Liquidity Policy and Procedures.

(c) Liquidity Risk Management

- (i) To ensure that the company has adequate liquidity not only on ongoing basis but also examine how liquidity requirements are likely to evolve under different assumptions.
- (ii) To prepare periodically the statement of structural liquidity as suggested by the

Reserve Bank of India.

- (d) **Currency Risk**
Exchange rate fluctuations especially on the capital inflows must be considered.
- (e) **Interest Rate Risk**
- (i) The interest rate risk both on the asset side and on the liability side and gap between them, the market conditions and the status of economy which would have repercussion on the operations of the company, the long term impact of the changing rates and do the gap analysis.
 - (ii) Formulating the policy on raising the resources based on the perceived risk parameters.
 - (iii) Formulating a policy on the client profile, products, the risk return matrix etc on the asset side

- (f) **Operational Risk**

Operational risk is the risk of loss caused by inadequacy and failure of internal processes, human error, system failure, internal or external fraud, or external events affecting the operations of the Company.

Risk Oversight Committee will ensure that clear policies, procedures and processes to mitigate operational risks through proper identification of risks associated with business processes, associating appropriate risk weightages and establishing control verification and correction mechanism are current and operative. These policies and procedures will include security of information, technology processes, insurance and Know Your Customer (KYC) principles.

In addition to Credit, Market, Liquidity and Operational risks, the Risk Oversight Committee will also review:

- (i) Legal Risk
- (ii) Reputation Risk
- (iii) Compliance Risk

which, *inter alia*, would also require Risk Oversight Committee to review and monitor timely resolution of customers' grievances and disputes.

- (g) **Review of Internal / External / Regulatory Audit Reports**

As part of its function, the Risk Oversight Committee shall also review, from time to time, internal / external / regulatory audit reports and will ensure steps towards resolution of issues highlighted therein. The Risk Oversight Committee will ensure strict compliance to internal policies / manuals and external regulatory requirements.

3. Corporate Social Responsibility Committee (“CSR Committee”)

The CSR Committee was constituted on December 4, 2014 and reconstituted on September 24, 2019. The members of the CSR Committee are:

Mr. Hong Ping Yeo	Chairman
Ms. Rajashree Nambiar	Member
Ms. Sudha Pillai	Member

The CSR Committee shall consider all matters pertaining to the CSR mission of the Company; expenditures related to the CSR programs and CSR publications and reports of the Company that it determines to be desirable. The duties of the CSR Committee are as follow:

- (a) To formulate and recommend to the Board the Company’s CSR policy, or any modifications in the policy, which shall indicate the activities to be undertaken by the Company as per the provisions of the Companies Act, 2013 and the rules made thereunder;
- (b) To monitor the implementation of the CSR Policy of the Company from time to time, to review CSR programs, reports on CSR activities, recommend changes or alterations if any;
- (c) To review and recommend the Annual Budget for CSR activities/the amount of total expenditure to be incurred on different CSR activities during the year;
- (d) To institute a transparent monitoring mechanism for ensuring implementation of the projects/programs/activities proposed to be undertaken by the Company and review the amount spent on CSR;
- (e) To review synergy and alignment for various CSR activities along with partners as per the sectors identified by the Company for CSR;
- (f) To review and recommend the Annual CSR Report reflecting fairly the Company’s CSR approach, policies, systems and performance;
- (g) To review and recommend the responsibility statement for inclusion in the board’s report that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the company.
- (h) To perform such other functions as may be delegated by the Board and/or mandated by any regulatory provisions;
- (i) To do all such acts, deeds and things as deemed necessary to achieve overall CSR objectives of the Company.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted on March 26, 2009 and last reconstituted on September 24, 2019. The members of the Nomination and Remuneration Committee are:

Mr. Milan Shuster	Chairman
Mr. Hong Ping Yeo	Member
Ms. Sudha Pillai	Member
Mr. Shirish Apte	Member

Terms of reference of the Nomination and Remuneration Committee are in compliance with applicable law and inter alia include:

The broad scope of the NRC is twofold:

- (a) Nomination Functions:
 - (i) Regularly review the structure, size and composition of the Board, which includes Board diversity, evaluate the balance of skills, knowledge and experience on the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary.
 - (ii) Formulate the criteria for determining qualifications, positive attributes and independence of a director and maintain an external data bank of such suitable candidates.
 - (iii) Be responsible for identifying and nominating for the approval of the Board, persons who are qualified to become directors and who are “fit for purpose” as per RBI guidelines and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
 - (iv) Carry out evaluation of the Directors’ performance.
 - (v) Evaluate suitable candidates and approve the appointment of the CEO and the Company’s Leadership Team members.

- (vi) Formulate plans for succession for the CEO and the Leadership Team members of the Company.
 - (vii) Re-appoint any non-executive director at the conclusion of his or her specified term of office, especially when he or she has concluded his/her term in accordance with the provisions under the Companies Act, 2013.
 - (viii) Recommend re-election by shareholders of any director who is retiring by rotation.
 - (ix) Be responsible for any matters relating to the continuation in office as a Director of any existing Director at any time.
 - (x) Be responsible for detailing items which can be published, if required, in the Company's Annual Report relating to activities of the NRC.
- (b) Remuneration Functions:
- (i) Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees of the Company (refer "Remuneration Policy").
 - (ii) Determine and recommend to the Board, the remuneration payable to the directors of the Company.
 - (iii) Individually review and recommend the compensation for the CEO and MD, and each of the Leadership Team members, which will be further ratified by the Board of the company.
 - (iv) Conduct annual reviews or with such periodicity as may be determined by the NRC, of the policies framed by the NRC and recommend the compensation strategy and budget covering all employees of the Company.
 - (v) Review deployment of key Human Capital strategies and tools specifically in the area of talent acquisition, employee engagement and development and succession planning.
- (c) Others:
- Carry out such other functions as may be delegated by the Board from time to time, or as may be necessary or appropriate for the performance of its duties or mandatory by any statutory notification, amendment or modification.

5. IT Strategy Committee

The IT Strategy Committee was constituted on March 28, 2018. The members of the IT Strategy Committee are:

Mr. Shirish Apte	Chairperson
Mr. Anindo Mukherjee	Member
Ms. Rajashree Nambiar	Member

The broad scope of the IT Strategy Committee is twofold:

- (a) Technology:
- Approving IT strategy and policy documents and ensuring that the management has put an effective strategy planning process in place.
- i. Ascertaining that management has implemented processes and practices which ensures that the IT delivers value to the business.
 - ii. Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
 - iii. Monitoring the method that management uses to determine the IT resources needed to achieve strategic goals and provide high-level direction for sourcing and use of IT

resources.

- iv. Ensuring proper balance of IT investments for sustaining our growth and becoming aware about exposure towards IT risks and controls.
- v. To review and amend the IT strategies in line with the corporate strategies, Board Policy reviews, cyber security arrangements and any other matter related to IT Governance.

(b) IT Services Outsourcing

- i. Instituting an appropriate governance mechanism for outsourced processes, comprising of risk based policies and procedures, to effectively identify, measure, monitor and control risks associated with outsourcing in an end to end manner.
- ii. Defining approval authorities for outsourcing depending on nature of risks and materiality of outsourcing.
- iii. Developing sound and responsive outsourcing risk management policies and procedures commensurate with the nature, scope and complexity of outsourcing arrangements.
- iv. Undertaking a periodic review of outsourcing strategies and all existing material outsourcing arrangements.
- v. Evaluating the risks and materiality of all prospective outsourcing based on the framework developed by the Board.
- vi. Periodically reviewing the effectiveness of policies and procedures.
- vii. Communicating significant risks in outsourcing to the company's Board on a periodic basis.
- viii. Ensuring an independent review and audit in accordance with approved policies and procedures.
- ix. Ensuring that contingency plans have been developed and tested adequately.
- x. Ensuring the business continuity preparedness is not adversely compromised on account of outsourcing and seek proactive assurance that the outsourced service provider maintains readiness and preparedness for business continuity on an ongoing basis.

6. Review Committee for Non- Cooperative Borrowers

The Review Committee for Non-Cooperative Borrowers was constituted on December 17, 2015 and last reconstituted on August 19, 2019. The members of the Review Committee for non-cooperative borrowers are:

Ms. Rajashree Nambiar	Chairperson
Ms. Sudha Pillai	Member
Mr. Premod P Thomas	Member

The Review Committee shall have the following role and responsibilities:

- (a) To review the order of the Committee of Higher Functionaries for classification of certain identified borrowers as "non-cooperative".
- (b) To recommend to the Board for de-classification of borrowers who had been earlier identified as "non-cooperative" basis their credit discipline and co-operative dealings with the company.

OUR PROMOTER

Profile of our Promoters

Our Promoters are (a) Angelica Investments Pte Ltd. and (b) Fullerton Financial Holding Pte Ltd.

1. Angelica Investments Pte Ltd

Angelica Investments Pte Ltd was originally incorporated on January 23, 2003 under the Companies Act (Cap 50) with the Accounting and Corporate Regulatory Authority (formerly Registry of Companies and Businesses) in the name of AF (Indonesia) Pte. Ltd. The name of the company was changed to Asia Financial (Indonesia) Pte. Ltd w.e.f. February 26, 2003. The name of the company was further changed to Asia Financial (India) Pte. Ltd w.e.f. April 10, 2003. The name was further changed to Asia Financial (Singapore) Pte. Ltd w.e.f. November 18, 2003. The name of the Company was changed to the current name i.e. Angelica Investments Pte. Ltd. w.e.f. March 17, 2004.

Angelica Investments Pte Ltd has been set up as a private limited company and its principal activity is that of an investment holding company.

The Equity Shares of Angelica Investments Pte. Ltd. are not listed on any stock exchange.

The registered office of Angelica Investments Pte Ltd is situated at 5 Shenton Way #18-06 UIC Building, Singapore - 068808.

2. Fullerton Financial Holding Pte Ltd

Fullerton Financial Holding Pte Ltd, Singapore was originally incorporated on January 23, 2003 under the Companies Act (Cap 50) with the Accounting and Corporate Regulatory Authority (formerly Registry of Companies and Businesses) in the name of Asia Financial Holdings Pte. Ltd. The name of the Company was changed to its current name i.e. Fullerton Financial Holdings Pte. Ltd. on May 11, 2007.

Fullerton Financial Holding Pte Ltd has been set up as a Private Limited Company, the principal activity of the company is that of an investment holding Company. The Equity Shares of Fullerton Financial Holding Pte Ltd are not listed on any stock exchange.

The registered office of Fullerton Financial Holding Pte Ltd is situated at 5 Shenton Way #18-06 UIC Building, Singapore 068808.

Interest of our Promoters in our Company

Except as stated under the chapter titled “*Related Party Transaction*” beginning on page 147 of this Draft Shelf Prospectus and to the extent of their shareholding in our Company, our Promoters do not have any other interest in our Company’s business. Further, our Promoters do not have interest in any property acquired by our Company in the last two years from the date of this Draft Shelf Prospectus, or proposed to be acquired by our Company, or in any transaction with respect to the acquisition of land, construction of building or supply of machinery

Further as on June 30, 2019, our Company or its subsidiaries, has no outstanding bank facilities, which have been guaranteed by our Promoters.

Other Confirmations

Our Promoters have confirmed that they have not been identified as a wilful defaulter by the RBI or any government authority nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued by them, if any, for a period of more than six months.

There were no instances of non-compliance by our Promoters on any matters related to the capital markets, resulting in disciplinary action against our Company by the Stock Exchange or Securities & Exchange Board of India (“SEBI”) or any other statutory authority.

Our Promoters have not been restrained or debarred or prohibited from accessing the capital markets or restrained or debarred or prohibited from buying, selling or dealing in securities under any order or directions passed for any reasons by SEBI or any other authority or refused listing of any of the securities issued by any stock exchanges in India or abroad.

Board of Directors of our Promoters

(A) Angelica Investments Pte Ltd

S. No.	Name	Designation
1	Mr. Teo Meng Poh, Philip	Director
2	Mr. Gustavo Sergio Barretto	Director

(B) Fullerton Financial Holding Pte Ltd

S. No.	Name	Designation
1	Mr. Wong Yuen Weng Ernest	Chairman
2	Mr. Peter Seah Lim Huat	Deputy Chairman
3	Mr. Ng Kee Choe	Director
4	Mr. Tow Heng Tan	Director
5	Mr. Rohit Sipahimalani	Director
6	Mr. Gan Chee Yen	CEO
7	Ms. Chan Wai Ching	Director

Shareholding Pattern of our Promoters as on July 31, 2019:

(A) Angelica Investments Pte Ltd

Sr. No.	Name of Equity shareholders	Types of Shares	No. of Shares	Amount of Paid-up Capital (In ₹)	Shareholding (In %)
1	Fullerton Financial Holdings Pte Ltd	Ordinary	1,030,002	51,500,100	100
2	Fullerton Financial Holdings Pte Ltd	Preference	6,634	33,174,318,650	100
Total			1,036,636	33,225,818,750	100

(B) Fullerton Financial Holding Pte Ltd

Sr. No.	Name of Equity shareholders	Type of shares	No. of Equity Shares	Amount of Paid-up Capital (In ₹)	Shareholding (In %)
1	Fullerton Management Pte Ltd	Ordinary	285,140,002	14,257,000,100	100
2	Fullerton Management Pte Ltd	Preference	1,120,000,000	56,000,000,000	100
Total			1,405,140,002	70,257,000,100	100

Promoters' shareholding in our Company as on date as at July 31, 2019

Name of shareholders	Total number of Equity Shares held	Total shareholding as % of total no of Equity Shares
Angelica Investments Pte Ltd*	1,97,61,08,959	95.86
Fullerton Financial Holding Pte Ltd	8,52,56,357	4.14
Total	2,06,13,65,316	100

*6 equity shares are held by individuals as nominee on behalf of Angelica Investments Pte. Ltd.

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the financial years 2017, 2016 and 2015 in accordance with the requirements under Accounting Standard 18 “Related Party Disclosures”, see “Financial Information” on page 148 of this Draft Shelf Prospectus. For details of the related party transactions for the financial year 2019 and financial year 2018 in accordance with the requirements under Ind AS 24 “Related Party Disclosures”, see “*Financial Information*” on page 148 of this Draft Shelf Prospectus.

SECTION V-FINANCIAL INFORMATION

FINANCIAL INFORMATION

Sr. No.	Particulars	Page No.
1.	Examination report and Reformatted Consolidated Financial Information	F-1
2.	Examination report and Reformatted Standalone Financial Information	F-[•]

Independent Auditor’s Examination Report on Reformatted Consolidated Financial Information under Ind AS as at and for the years ended 31 March 2019 and 31 March 2018 in connection with proposed public issue by Fullerton India Credit Company Limited (the “Company”) of secured, redeemable, non-convertible debentures of face value of Rs. 1,000 each aggregating upto Rs. 20,000 million (the "NCDs") through one or more tranches (the "Issue")

The Board of Directors
Fullerton India Credit Company Limited
Floor 6, B Wing, Supreme IT Park
Supreme City, Behind Lake Castle
Powai
Mumbai 400 076

30 September 2019

Dear Sirs/Madam,

1. We have examined the Reformatted Consolidated Financial Information under Ind AS (defined subsequently) of Fullerton India Credit Company Limited (the “Company”) and its subsidiary companies (together referred to as “the Group”), which comprise of the Reformatted Consolidated Statement of Assets and Liabilities as at 31 March 2019 and 31 March 2018 and the Reformatted Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the years ended 31 March 2019 and 31 March 2018 and the Reformatted Consolidated Statement of Cash Flows for the years ended 31 March 2019 and 31 March 2018 and the Reformatted Consolidated Statement of Changes in Equity for the years ended 31 March 2019 and 31 March 2018 and the Summary of Significant Accounting Policies, read together with the annexures and notes thereto (together referred to as “Reformatted Consolidated Financial Information under Ind AS”) annexed to this report, for the purpose of inclusion in the Draft Shelf Prospectus and/or Shelf Prospectus and/or Tranche Prospectus(es) and any amendments and supplements thereto (collectively the “**Offering Documents**”) to be filed by the Company in connection with its proposed public issue by the Company of secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each aggregating upto ₹ 20,000 million (the "NCDs") through one or more tranches (the "Issue"). The Reformatted Consolidated Financial Information under Ind AS has been prepared by the Management of the Company on the basis of note B(i) of Annexure V to the Reformatted Consolidated Financial Information under Ind AS and approved by the Retail Bond Issuance Committee of the Company (on behalf of the Board of Directors of the Company) on 30 September 2019 by taking into consideration the requirements of:
 - a. section 26 of Part I of Chapter III of of the Companies Act 2013 (the “Act”); and
 - b. the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time (the “SEBI Debt Regulations”) issued by Securities and Exchange Board of India (the “SEBI”).

Management's Responsibility

2. The preparation of Reformatted Consolidated Financial Information under Ind AS is the responsibility of the Board of Directors of the Holding Company for the purpose set out in paragraph 1 above. The Reformatted Consolidated Financial Information under Ind AS have been prepared by the Management of the Holding Company on the basis of preparation stated in note B(i) of Annexure V to the Reformatted Consolidated Financial Information under Ind AS. The respective Board of Directors of the companies included in the Group have responsibility of designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of Reformatted Consolidated Financial Information under Ind AS. The respective Board of Directors of the companies included in the Group are also responsible for identifying and ensuring that the Company complies with the requirements of Section 26 of Part I of Chapter III of the Act and the SEBI Debt Regulations.
3. The Reformatted Consolidated Financial Information under Ind AS have been extracted by the management From the audited Consolidated financial statements of the Company as at and for the year ended 31 March 2019, prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the RBI/NHB as applicable to NBFCs/HFCs and other accounting principles generally accepted in India, which were approved by Board of Directors of the Company on 29 May 2019. The comparative information for the year ended 31 March 2018 included in such financial statements have been prepared by making Ind AS adjustments to the audited Consolidated financial statements of the Company as at and for the year ended 31 March 2018, prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on 18 May 2018 and the Ind As transition adjustments being audited as part of the audit of 31 March 2019 Consolidated financial statements

Auditor's Responsibility

4. For the purpose of our examination, we have relied on the Auditor's reports issued by us dated 29 May 2019 on the consolidated financial statements of the Group as at and for the year ended 31 March 2019.
5. We have examined the Reformatted Consolidated Financial Information under Ind AS taking into consideration:
 - a. the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 01 July 2019 in connection with the Issue;
 - b. requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 and the SEBI Debt Regulations;
 - c. concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Financial Information under Ind AS and
 - d. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) ("The Guidance Note"). The Guidance Note requires, *inter alia*, that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

Auditor's Responsibility (Continued)

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

6. As stated in our audit report referred to in paragraph 4 above, we conducted our audit of the Consolidated Financial Statements of the Group for the year ended 31 March 2019 in accordance with the Standards on Auditing specified under Section 143 (10) of the Act and issued by the ICAI, as applicable. Those Standards require we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.
7. The audit report on the consolidated financial statements for the year ended 31 March 2019, issued by us, included the following other matter paragraph:
 - a. We did not audit the financial statements of one subsidiary company whose financial statements reflect total assets of Rs. 2.35 lakhs as at 31 March 2019 as considered in the consolidated financial statements. This subsidiary company does not have revenue and cash flow for the year ended on 31 March 2019. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, to the extent they have been derived from such annual financial statements in so far as it relates to the amounts and disclosures included in respect of this subsidiary company, and our report in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of the other auditors.
 - b. The opening balance sheet as at 1 April 2017 (transition date) included in these consolidated financial statements, is based on the previously issued statutory consolidated financial statements of the Company prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 dated 18 May 2017 expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matters.

Opinion

8. Based on our examination and in accordance with the requirements of section 26 of Part I of Chapter III of the Act, the SEBI Debt Regulations, the Guidance note and the terms of our engagement agreed with you, we report that:

The Reformatted Consolidated Financial Information under Ind AS of the Group as at and for the years ended 31 March 2019 and 31 March 2018 examined by us, are accurately extracted from the audited Consolidated financial statements of the Group for the year ended 31 March 2019

9. Based on our examination as above and according to the information and explanations given to us, we further report that:
- a. the Reformatted Consolidated Financial Information under Ind AS have to be read in conjunction with the notes given in Annexure VI;
 - b. in the preparation and presentation of Reformatted Consolidated Financial Information under Ind AS based on audited Consolidated financial statements as referred to in paragraph 3 and 6 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 4 above and
 - c. at the Company's request, we have also examined the following financial information of the Group set out in the Annexures prepared by management and approved by the Retail Bond Issuance Committee (on behalf of the Board of Directors of the Company) on 30 September 2019, for the years ended 31 March 2019 and 31 March 2018 :
 - (i) Statement of capitalisation, as appearing in Annexure VII and
 - (ii) Statement of dividend as appearing in Annexure VIII
10. According to the information and explanations given to us, in our opinion on the Reformatted Consolidated Financial Information under Ind AS and above financial information contained in Annexure VII and VIII accompanying this report, read with the significant accounting policies and notes disclosed in Annexure VI has been prepared in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the SEBI Debt Regulations and the Guidance Note.
11. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restrictions of use

13. This report is intended solely for use of the management for inclusion in the Offering Documents to be filed / registered with Securities and Exchange Board of India, stock exchanges where the NCDs are proposed to be listed and Registrar of Companies, Maharashtra (RoC), as applicable, prepared in connection with the Issue of the Company. Our report should not be used, referred to or distributed for any other purpose without our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Milind Ranade
Partner
Membership No: 100564

UDIN : 19100564AAAAFC7866

Reformatted consolidated statement of assets and liabilities

	Note	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
ASSETS			
Financial assets			
Cash and cash equivalents	2	29,521	24,597
Bank balances other than cash and cash equivalents	3	56,671	58,878
Investments	4	1,64,953	52,431
Trade receivables	5	753	752
Other financial assets	6	3,027	2,278
Loans and advances	7	23,86,368	17,18,223
		26,41,293	18,57,159
Non Financial assets			
Current tax assets	8	2,534	2,368
Deferred tax asset (net)	9	25,589	25,003
Other non-financial assets	10	6,689	4,212
Property, plant and equipment	11	8,176	4,951
Intangibles assets	12	3,264	2,264
Intangibles assets under development	12	138	349
		46,390	39,147
Total Assets		26,87,683	18,96,306
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade payables	13		
i) total outstanding dues to micro enterprises and small enterprises		52	93
ii) total outstanding dues to creditors other than micro enterprises and small enterprises			
		5,962	5,561
Debt Securities	14	10,15,728	6,82,175
Borrowings	15	10,86,590	7,63,597
Subordinated Liabilities	14	1,11,181	70,541
Other financial liabilities	16	1,01,112	99,113
		23,20,625	16,21,080
Non Financial liabilities			
Current tax liabilities	17	1,937	4,155
Provisions	18	759	39
Other non-financial liabilities	19	6,058	4,699
		8,754	8,893
Equity			
Equity share capital	20	2,01,150	1,98,007
Other equity	21	1,57,154	68,326
		3,58,304	2,66,333
Total liabilities and equity		26,87,683	18,96,306
Summary of significant accounting policies and accompanying notes which form an integral part of the financial statements	1-51		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 30 September 2019

Place: Mumbai
Date: 30 September 2019

Reformatted consolidated statement of profit and loss

	Note	Year ended 31 March 2019 (₹ lakhs)	Year ended 31 March 2018 (₹ lakhs)
Revenue from operations			
Interest income	22	4,27,233	2,72,292
Fees and commission income	23	6,742	4,672
Net gain on financial assets at FVTPL	24	5,086	1,107
Ancillary income	25	6,385	5,240
Total revenue from operations		4,45,446	2,83,311
Other income	26	1,333	1,612
Total Income		4,46,779	2,84,923
Expenses			
Finance costs	27	1,62,257	1,03,986
Net loss on fair value changes	28	193	24
Impairment on financial instruments	29	55,367	49,745
Employee benefits expense	30	63,376	49,112
Depreciation, amortisation and impairment	11&12	3,793	3,382
Other expenses	31	42,064	26,350
Total expenses		3,27,050	2,32,599
Profit before tax		1,19,729	52,324
Tax expense	32		
Current tax		48,445	13,794
Adjustment of tax relating to earlier periods		-	(1,128)
Deferred tax expense / (credit)		(6,141)	4,979
		42,304	17,645
Net profit after tax		77,425	34,679
Other comprehensive income / (loss)	32(b)		
Items that will not be reclassified to profit or loss			
Re-measurement of gain/loss on defined benefit plans (net of tax)		(455)	1
Other comprehensive loss		(455)	1
Total comprehensive income for the year		76,970	34,680
Earnings per equity share:	33		
Basic earnings per share (in ₹)		3.88	1.75
Diluted earnings per share (in ₹)		3.88	1.75
Face value per share (in ₹)		10.00	10.00
Summary of significant accounting policies and accompanying notes which form an integral part of the financial statements	1-51		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 30 September 2019

Place: Mumbai
Date: 30 September 2019

Reformatted consolidated Statement of Changes in Consolidated Equity

A. Equity share capital

Particulars	Number of shares	Amount (₹ lakhs)
Equity share of Rs. 10 each fully paid up as at 1 April 2017	1,98,00,71,519	1,98,007
Changes during the year	-	-
Equity share of Rs. 10 each fully paid up as at 31 March 2018	1,98,00,71,519	1,98,007
Changes during the year	3,14,26,776	3,143
Equity share of Rs. 10 each fully paid up as at 31 March 2019	2,01,14,98,295	2,01,150

B. Other equity

(Amount in ₹ lakhs)

Particulars	Reserves and surplus					Items of OCI	Total
	General Reserve	Capital Reserve	Securities premium	Reserve Fund under Section 45 - IC of the RBI Act, 1934 & Reserve Fund under Section 29C(i) of the NHB Act, 1987	Retained Earnings	Re-measurement of gain/loss on defined benefit plans (net of tax)	
Opening balance as at 01 April 2017	96	2,869	21,035	26,196	(16,476)	-	33,720
Reversed/ (utilised) for debenture issue costs	-	584	(658)	-	-	-	(74)
Transferred from retained earnings to reserve fund	-	-	-	7,309	(7,309)	-	-
Profit for the year	-	-	-	-	34,679	-	34,679
Other comprehensive income/(loss) for the year	-	-	-	-	-	1	1
Closing balance as at 31 March 2018	96	3,453	20,377	33,505	10,894	1	68,326
Securities Premium on shares issued	-	-	11,858	-	-	-	11,858
Transferred from retained earnings to reserve fund	-	-	-	15,514	(15,514)	-	-
Profit for the year	-	-	-	-	77,425	-	77,425
Other comprehensive income/(loss) for the year	-	-	-	-	-	(455)	(455)
Closing balance as at 31 March 2019	96	3,453	32,235	49,019	72,805	(454)	1,57,154

As per our report of even date attached

1-51

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 30 September 2019

Place: Mumbai
Date: 30 September 2019

Reformatted consolidated statement of Cash flow

	Year ended 31 March 2019 (₹ lakhs)	Year ended 31 March 2018 (₹ lakhs)
CASH FLOW FROM OPERATING ACTIVITIES (A)		
Profit before tax	1,19,729	52,324
Adjustments for :		
(Includes amount spent towards Corporate Social Responsibility expense as per Section 135 (5) of the Companies Act, 2013 (Refer Note 43))		
Financial asset measured at amortised cost	(5,814)	(411)
Financial liabilities measured at amortised cost	832	339
Depreciation, amortisation and impairment	3,793	3,382
Interest income on fixed deposits, bond and investments	(9,860)	(8,299)
Profit on sale of property, plant and equipment	(12)	(9)
Net (gain)/loss on financial assets at FVTPL	(5,086)	(846)
Impairment on financial instruments	55,268	41,586
Write off of fixed assets & intangible assets	10	24
Fair valuation of SAR liability	592	35
Disocunt on commercial papers	1,281	353
Amortisation of ancillary borrowing costs	-	483
Operating profit before working capital changes	1,60,733	88,961
Adjustments for working capital:		
- (Increase)/decrease in loans and advances	(6,89,196)	(6,29,340)
- (Increase)/ decrease in other Assets (financial and non financial assets)	(2,890)	(9,335)
- (Increase)/decrease in trade receivables	(0)	(345)
- Increase/(decrease) in other liabilities (Provision, financial and non financial liabilities)	4,358	65,511
Cash generated from/(used in) operating activities	(5,26,995)	(4,84,548)
Income tax paid (net)	(45,499)	(5,369)
Net cash generated from/(used in) operating activities (A)	(5,72,494)	(4,89,917)
CASH FLOW FROM INVESTING ACTIVITIES (B)		
Purchase of property, plant and equipment and intangibles	(8,046)	(3,273)
Proceeds from sale of property, plant and equipment and intangibles	30	16
Purchase of investments	(64,58,799)	(15,40,122)
Sale/maturity of investments	63,46,693	16,85,847
Fixed deposit placed	(76,494)	(63,631)
Fixed deposit matured	73,619	62,946
Interest received on fixed deposits and bonds	6,083	6,432
Interest received on investments	5,526	640
Net cash generated from/(used in) investing activities (B)	(1,11,388)	1,48,855
CASH FLOW FROM FINANCING ACTIVITIES (C)		
Proceeds from issuance of share capital (including share premium)	15,000	-
Proceeds from borrowings from banks and financial institutions	13,89,956	10,20,576
Repayment of borrowings from banks and financial institutions	(7,11,928)	(6,63,954)
Payment of ancillary borrowing costs	(4,222)	(724)
Net cash generated from/(used in) financing activities (C)	6,88,806	3,55,898
Net increase / (decrease) in cash and cash equivalents D=(A+B+C)	4,924	14,836
Cash and cash equivalents as at the beginning of the period (E)	24,597	9,761
Closing balance of cash and cash equivalents (D+E)	29,521	24,597
Components of cash and cash equivalents:		
Cash on hand	1,168	834
Balances with banks		
- in current accounts	25,351	14,101
- in fixed deposit with maturity less than 3 months	3,002	9,662
Cash and cash equivalents	29,521	24,597

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements. (Refer note 15 (b) for net debt reconciliation)

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 30 September 2019

Place: Mumbai
Date: 30 September 2019

Fullerton India Credit Company Limited

Summary of significant accounting policies and notes to the reformatted consolidated financial information

Annexure-V : Summary of significant accounting policies and notes to the reformatted consolidated financial information

A. Company information

Fullerton India Credit Company Limited ('The Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a non-banking financial company ('NBFC') registered as Deposit taking NBFC vide Registration no A-07-00791 dated 27 May, 2011 with the Reserve Bank of India ('RBI'). Registered address of the Company is Fullerton India Credit Limited, Megha Towers, III Floor, New No 165, Old No 307, Poonamallee High Road, Maduravoyal, Chennai. The Company provides loans to small and medium enterprises for working capital and growth, loans for commercial vehicles, loans against shares, two-wheelers, home improvement loans, loans against property, personal loans, working capital loans for urban salaried, self-employed, loans for rural livelihood advancement and financing of various rural micro enterprises (collectively referred to as "Portfolio Loans").

As at 31 March 2019, Angelica Investments Pte Ltd, the holding company owned 95.76% of the Company's equity share capital.

B. Basis of preparation

i. Statement of compliance

The Reformatted Consolidated Financial Statements comprise of the financial statements of FICCL and its subsidiaries (hereinafter collectively referred to as the 'Group').

The Reformatted Consolidated Statement of Assets and Liabilities of the Group as at 31 March 2019 and 31 March 2018, Reformatted Consolidated Statement of Profit and Loss (including comprehensive income), Reformatted Consolidated Statement of Changes in Equity and Reformatted Consolidated Statement of Cash Flows for the year ended 31 March 2019 and 31 March 2018 and a summary of the significant accounting policies and other explanatory information (together referred as "Reformatted Consolidated Financial Information") have been extracted by the Management from the audited consolidated financial statements (herein after referred to as financial statements) of the Group as at and for the year ended 31 March 2019, prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the RBI/NHB as applicable to NBFCs/HFCs and other accounting principles generally accepted in India, which were approved by Board of Directors of the Company on 29 May 2019. The comparative information for the year ended 31 March 2018 included in such consolidated financial statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group as at and for the year ended 31 March 2018, prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on 18 May 2018 and the Ind As transition adjustments being audited as part of the audit of consolidated financial statements for the year ended 31 March 2019.

The Reformatted Consolidated Financial Information have been prepared by the Management in connection with the proposed issue by the Company of secured redeemable non-convertible debentures face value Rs. 1000 each aggregating upto Rs. 20,000 million (the NCDs) through one or more tranches (the Issue), in accordance with the requirements of Section 26 of Part I of Chapter III of the Act and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI").

Financial statements for the year ended 31 March 2019 are the first IND AS financial statements of the Group prepared in accordance with IND AS. IND AS 101, First-time Adoption of Indian Accounting Standards has been applied. Refer note 34 for an explanation of how the transition from Previous GAAP to IND AS has affected the Group previously reported financial position, financial performance and cash flows.

Financial statements are prepared on going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

Fullerton India Credit Company Limited

Summary of significant accounting policies and notes to the reformatted consolidated financial information

ii. Presentation of financial statements

The balance sheet, the statement of profit and loss and the statement of changes in equity are presented in the format prescribed in the Schedule III to the Act. The statement of cash flow has been presented as per the requirements of IND AS 7 "Statement of Cash Flows"

The Group presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 49.

1) Principles of consolidation

- (i) The Consolidated Financial Statements are prepared in accordance with Ind AS 110 - Consolidated Financial Statements Ind AS -110 notified under Section 133 of the Act. The financial statements of the group companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of inter-company transactions are eliminated on consolidation.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the Consolidated Financial Statements and are presented in the same manner as the Company's standalone financial statements.

The financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the NHB as applicable to an HFCs and other accounting principles generally accepted in India. Due to the lack of homogeneity of the businesses, the financial statements of the FIHFCL have been consolidated, to the extent possible in the format as adopted by the parent, as required by Ind AS - 101 and as prescribed under section 133 of the Act.

- (ii) The subsidiary companies considered in preparation of consolidated financial statements are :

Name of Company	Country of incorporation	Proportion of Equity interest	
		31 March 2019	31 March 2018
Fullerton India Home Finance Co. Ltd	India	100%	100%
Fullerton India Foundation for Social and Economic Development	India	100%	100%

Fullerton India Credit Company Limited

Summary of significant accounting policies and notes to the reformatted consolidated financial information

For the purpose of Consolidated Financial Statements, the results of FICCL and its subsidiaries for the year ended 31 March 2019 have been derived from the respective Company's audited financials of the year ended 31 March 2019.

Non-controlling interest in the net assets of consolidated financial statements is identified and presented in the consolidated balance sheet separately within equity. Non-controlling interest in the net assets of consolidated subsidiaries consists of:

1. The amount of equity attributable to non-controlling interests at the date on which investment in subsidiary is made and
2. The non-controlling interest share of movement in equity since the date of parent subsidiary relationship came into existence. The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of profit and Statement of change in equity.

iii. Functional and presentation currency

Indian rupees is the Group's functional currency and the currency of the primary economic environment in which the Group operates. Accordingly, the management has determined that financial statements are presented in Indian Rupees. All amounts have been rounded off to the nearest lakhs upto two decimal places, unless otherwise indicated.

iv. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial instruments (as explained in the accounting policies below)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Liabilities for cash settled share based payments	Fair value

v. Use of estimates and judgments

The preparation of financial statements in conformity with IND AS requires management to make estimates, assumptions and exercise judgments in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known or materialized.

Assumptions and estimation uncertainties

Information about critical judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 is included in the following notes:

Note 1.C.9 – Impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets;

Note 1.C.7 – recognition of deferred tax assets

Fullerton India Credit Company Limited

Summary of significant accounting policies and notes to the reformatted consolidated financial information

Note 1.C.10 – measurement of defined benefit obligation: key actuarial assumptions;

Note 1.C.2 – financial instruments – Fair values, risk management and impairment of financial assets

Note 1.C.10– cash settled - share based payments

Note 1.C.8 – estimates of useful lives and residual value of property, plant and equipment and intangible assets

Note 1.C.11 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources, if any

vi. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. Measurement of fair value includes determining appropriate valuation techniques.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models that employ significant unobservable inputs require a higher degree of judgment and estimation in the determination of fair value. Judgment and estimation are usually required for selection of the appropriate valuation methodology, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 48 - Financial instruments - Fair values and risk management

Note 38 - Cash settled share based payments

C. Summary of significant accounting policies

1. Revenue Recognition

Interest income

The Group calculates interest income by using the effective interest rate (EIR) method.

Fullerton India Credit Company Limited

Summary of significant accounting policies and notes to the reformatted consolidated financial information

The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial instrument.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, commission, fees and costs incremental and directly attributable to the specific lending arrangement.

The Group recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. The future cash flows are estimated taking into account all the contractual terms of the asset. If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet. The adjustment is subsequently amortized through Interest income in the statement of profit and loss.

When a financial asset becomes credit-impaired subsequent to initial recognition, the Group calculates interest income by applying the effective interest rate to the amortised cost (net of provision) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Interest income on financial assets classified as FVTPL is recognized at contractual interest rate of financial instruments.

Penal/additional interest on default in payment of dues by customer is recognized on realization basis.

Fee income

Loan processing fee/document fees/stamp fees which are integral part of financials assets are recognized through effective interest rate over the term of the loan. For the agreements foreclosed or transferred through assignment, the unamortized portion of the fee is recognized as income to the Statement of profit and loss at the time of such foreclosure/transfer through assignment. Applications fee is recognized at the commencement of the contracts. Additional charges such as penal, dishonor, foreclosure charges, delayed payment charges etc. are recognized on realization basis.

Dividend income

Dividend income is recognized as and when the right to receive payment is established.

Net gain from financial instruments at FVTPL

The realised gain from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

Rendering of services

The Group recognises revenue from contracts with customers based on a five step model as set out in IND AS 115 to determine when to recognize revenue and at what amount.

Fullerton India Credit Company Limited

Summary of significant accounting policies and notes to the reformatted consolidated financial information

Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, an entity estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

Commission income

Commission income earned for the services rendered are recognized on accrual basis, while rate conversion charges are recognized upfront based on event occurrence.

2. Financial instruments

• Recognition and initial measurement

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability. Transaction costs of financial instrument carried at fair value through profit or loss are expensed in profit or loss.

• Classification and subsequent measurement

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group 's business model for managing the asset.

Financial assets

The Group subsequently classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through profit or loss
- fair value through other comprehensive income

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) method if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made an investment – by – investment basis.

All financials assets not classified and measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate the financials assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.

At initial recognition of a financial asset, the Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal) Amount 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Group's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss.
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Fullerton India Credit Company Limited

Summary of significant accounting policies and notes to the reformatted consolidated financial information

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense and foreign exchange gains and losses are recognised in the Statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

- **Reclassification**

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

- **De-recognition, modification and transfer**

Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

When it has neither transferred substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Profit/premium arising at the time of assignment of portfolio loans, is recognized as an upfront gain/loss. Interest on retained portion of assigned portfolio is recognized basis Effective Interest Rate. Service fee received is accounted for based on the terms of underlying deal structure of transaction.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised as profit or loss.

- **Offsetting of financial instruments**

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

- **Impairment and write off**

In accordance with IND AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets at amortized cost along with related undrawn commitments and loans sanctioned but not disbursed.

Undrawn loan commitments are commitments under which, over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. Commitment starts from the date of the sanction letter till the amount is fully drawn down by the customer.

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For recognition of impairment loss on financial assets, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows which the Group expects to receive) discounted at an approximation to the EIR.

Fullerton India Credit Company Limited

Summary of significant accounting policies and notes to the reformatted consolidated financial information

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The Group measures ECL on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's EIR, regardless of whether it is measured on an individual basis or a collective basis.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

• **Collateral valuation and repossession**

To mitigate the credit risk on financial assets, the Group seeks to use collateral, where possible as per the Board approved Credit Policy. The Group provides fully secured, partially secured and unsecured loans to customers. The parameters relating to acceptability and valuation of each type of collateral is a part of the Credit Policy of the Group.

In its normal course of business, the Group does not physically repossess properties in its retail portfolio. For other collaterals, the Group liquidates the assets and recovers the amount due against the loan. Any surplus funds are returned to the customers/obligors.

3. Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand, call deposits and other short term, highly liquid securities with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

4. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the assets or assets, even if the right is not explicitly specified in an arrangement.

Operating lease

Leases where the lessor effectively retains substantially all risks and benefits incidental to ownership of the asset are classified as Operating lease.

Group as a lessee

Operating lease payments (net of any incentive received from the lessor) are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost.

Group as a lessor

Rental income from operating lease is recognised on a straight line basis over the lease term unless the same is in line with general inflation to compensate for the expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease is recognised over the lease term on the same basis as rental income.

5. Borrowing costs

Borrowing cost is calculated using effective interest rate on the amortised cost of the instrument. EIR includes interest and amortization of ancillary cost, incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

6. Foreign currency

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Exchange differences, if any, arising out of foreign exchange transactions settled during the period are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. All resulting exchange differences are recognised in other comprehensive income.

7. Income taxes

Income tax expense comprises current tax expenses, net change in the deferred tax assets or liabilities during the year and any adjustment to the tax payable or receivable in respect of previous years. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to business combinations or to an item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

Current Income taxes

The current income tax includes income taxes payable by the Group computed in accordance with the tax laws applicable in the jurisdiction in which the Group generate taxable income and does not have any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred income taxes

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be reversed or settled.

Fullerton India Credit Company Limited

Summary of significant accounting policies and notes to the reformatted consolidated financial information

Deferred tax asset are recognised to the extent that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow part of deferred income tax assets to be utilised. At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Goods and services tax input credit

Goods and services tax input credit is recognised in the books of account in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or receipt of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

8. Property plant and equipment (including Capital Work-in-Progress) and Intangible assets

Recognition and measurement

Property, plant and equipment and intangible assets are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price(after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Assets acquired which are not ready for intended use as on the reporting date are classified under Capital work in progress.

Any gain or loss arising from disposal of an item of property, plant and equipment and intangible assets is recognised as profit or loss respectively.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

Depreciation/Amortisation

Depreciation on Property, plant and equipment is provided on straight-line basis as per the estimated useful life of the assets as determined by the management, which is in line with Schedule II of the Companies Act, 2013 except for certain assets as stated below.

	Useful life estimated by the Group (in years)	Useful Life as per Schedule II (in years)
Computer Server and Other Accessories *	4	6
Computer Desktop and Laptops *	3	3
Furniture and Fixtures *	5	10
Office Equipments *	5	5
Handheld devices *	2	5
Vehicles *	4	8

* Useful life of the assets has been assessed based on internal assessment, 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.

Depreciation/Amortization method, useful life and residual value are reviewed at each financial year end and adjusted if required. Depreciation/Amortization on addition/disposable is provided on a pro-rata basis i.e from/upto the date on which asset is ready to use /disposed off.

Leasehold improvements are amortized over the period of the lease subject to a maximum lease period of 66 months.

Intangible assets are amortized using the straight line method over a period of five years commencing from the date on which such asset is first installed.

9. Impairment on Non Financials Assets

The carrying amount of the non-financial assets other than deferred tax are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. The recoverable amount of the assets/ Cash generating unit is estimated as the higher of net selling price and its value in use.

Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

The Group reviews at each reporting date, whether there is any indication that the loss has decreased or no longer exists. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

10. Employee Benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined Contribution Plans

Contributions to defined contribution schemes includes employees' state insurance, superannuation scheme, employee pension scheme. A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into an account with a separate entity and has no legal or constructive obligation to pay further amounts. The Group makes specified periodic contributions to the credit of the employees' account with the Employees' Provident Fund Organisation. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees..

Defined Benefit Plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense /income on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/asset, taking into account any changes in the net defined benefit liability /asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit or Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit or Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits, which do not fall due wholly within 12 months after the end of the period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method.

Phantom Plan (Stock Appreciation Rights)

For cash-settled share based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the vesting period on straight line basis. The liability is re-measured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 38 for details.

11. Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past event 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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements. However, it is disclosed only when an inflow of economic benefits is highly probable.

The Group operates in a regulatory and legal environment that, by nature, has inherent litigation risk to its operations and in the ordinary course of the Group's business. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

Commitments include the amount of purchase order (net of advances) issued to the counterparties for supplying/development of asset and amount of undisbursed portfolio loans.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

12. Earnings per share

Basic earnings per share are computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on 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 profit per share.

13. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM's function is to allocate the resources of the Group and assess the performance of the operating segments of the Group.

14. Dividend on equity shares

The Group recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognized directly in equity.

D. Recent accounting developments

Standards issued but not yet effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on March 30, 2019 as part of the Companies (IND AS) Amendment Rules, 2019) which are effective for the annual period beginning from April 01, 2019. The Group intends to adopt these standards and amendments from the effective date.

IND AS 116 – Leases:

IND AS 116 is applicable for financial reporting periods beginning on or after April 01, 2019 and replaces existing lease accounting guidance, namely IND AS 17 Leases. IND AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as IND AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Group plans to apply IND AS 116 on April 01, 2019, using the prospective approach. Therefore, the ROU asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. The Company is in the process of analyzing the impact of new lease standard on its financial statement

Amendments to existing IND AS:

The following amended standards are not expected to have a significant impact on the Group's financial statements. This assessment is based on currently available information and is subject to changes arising from further reasonable and supportable information being made available to the Company when it adopts the respective amended standards.

I. Amendment to Ind AS 12 Income Taxes:

Income tax consequences of distribution of profits (i.e dividends), including payments on financial instruments classified as equity, should be recognized when a liability to pay dividend is recognised.

The income tax consequences should be recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognized.

Appendix C has been added to IND AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatments that are yet to be accepted by tax authorities and to reflect it in the measurement of current and deferred taxes.

Fullerton India Credit Company Limited

Summary of significant accounting policies and notes to the reformatted consolidated financial information

II. Amendments to Ind AS 109 Financial Instruments:

A financial asset would be classified and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principle and interest on the principle amount outstanding (SPPI criterion).

An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

- Have a prepayment feature which results in a negative compensation.
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and
- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available.

Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

III. Amendments to Ind AS 19 Employee Benefits

When a defined benefit plan is amended, curtailed or settled, entities would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the annual reporting period (post the plan amendment, curtailment or settlement).

The effect of the asset ceiling would not be considered while calculating the gain or loss on any settlement of the plan. Subsequently, it would be recognised in other comprehensive income.

IV. Amendments to Ind AS 23 Borrowing costs

Borrowing cost eligible for capitalization

- Clarification that in computing the capitalization rate for funds borrowed generally, the Company should exclude borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing cost of the Company.
- Transitional provision: The Company applying IND AS 23 should apply the amendments to the borrowing costs incurred on or after the date the Company first applies the amendments.

The amendments that are not yet effective made to the following existing standards, does not have any impact on the Group's financial statements:

- IND AS 28 Investments in associates and joint ventures
- IND AS 103 Business Combinations and
- IND AS 111 Joint arrangements

Annexure-VI: Notes to the reformatted consolidated financial information**2. Cash and cash equivalents**

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Cash on hand	1,168	834
Balances with banks*		
- in current accounts	25,351	14,101
- in deposit with maturity less than 3 months	3,002	9,662
Total	29,521	24,597

3. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Deposit with maturity of more than 3 months but less than 12 months	26,360	8,219
Deposit with maturity of more than 12 months*	30,311	50,659
Total	56,671	58,878

*In respect of balance with Scheduled banks in Deposits, INR Nil (31 March 2018: 247 lakhs) pertain to collateral deposit kept with banks as credit enhancements pertaining to securitizations

4. Investments

Particulars	As at 31-Mar-19 (₹ lakhs)	As at 31-Mar-18 (₹ lakhs)
Measured at fair value through profit and loss		
Units of Mutual funds		
93,604.460 (31 March 2018: Nil) units of Rs. 1,000 each in DSP BlackRock Liquidity Fund - Direct Plan - Growth	2,502	-
66,116.578 (31 March 2018: Nil) units of Rs. 10 each in Kotak Liquid - Direct Plan - Growth	2,503	-
Unquoted: Equity instruments		
50,000 (31 March 2018: 50,000) equity shares of Rs. 10 each fully paid-up in Alpha Micro Finance Consultants Private Limited	5	5
8,397 (31 March 2018: 8,397) equity shares of Rs. 10 each fully paid-up in Digilend Analytics and Technology Pvt. Ltd.	-	100
Quoted: Government securities and T-bills		
32,500,000 (31 March 2018: Nil) units 0% INR GOI TB 2019/414	32,489	-
2,500,000 (31 March 2018: Nil) units 0% INR GOI TB 2019/414	2,499	-
12,500,000 (31 March 2018: Nil) units 0% INR GOI TB 2019/414	12,496	-
1,000,000 (31 March 2018: Nil) units 7.17 % 2028/413 G Sec	980	-
500,000 (31 March 2018: Nil) units 7.17 % 2028/413 G Sec	490	-
Unquoted: Certificate of deposits		
22,500 (31 March 2018: 7500) units of Rs. 100,000 each of Axis Bank Ltd	21,361	7,011

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Notes to the reformatted consolidated financial information

20,000 (31 March 2018: 7500) units of Rs. 100,000 each of ICICI Bank Ltd	19,020	7,275
20,000 (31 March 2018: Nil) units of Rs. 100,000 each of Kotak Mahindra Bank Limited	19,207	-
30,000 (31 March 2018: 10,000) units of Rs. 100,000 each of Indus Ind Bank Limited	28,249	9,560
17,500 (31 March 2018: Nil) units of Rs. 100,000 each of IDFC Bank Limited	16,632	-
7,000 (31 March 2018: Nil) units of Rs. 100,000 each of Federal Bank Limited	6,520	-
Nil (31 March 2018: 15,000) units of Rs. 100,000 each of HDFC Bank	-	14,070
Unquoted: Commercial Papers		
Nil (31 March 2018: 3,000) units of Rs 500,000 each of Housing Development Finance Corporation Ltd.	-	14,410
Total	1,64,953	52,431

5. Trade receivables

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Receivables considered good - Secured	-	-
Receivables considered good - Unsecured	753	752
Less: Provision for impairment	-	-
Total	753	752

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Also no trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

6. Other financial assets

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Security Deposits	1,846	1,501
Less- Impairment allowance	(111)	(86)
Interest Accrued on Investment	777	342
Others	515	521
Total	3,027	2,278

7. Loans and advances

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Loans carried at amortized cost		
(i) Loans repayable on Demand	-	-
(ii) Term Loans	24,57,514	17,70,143
Total Gross	24,57,514	17,70,143
Less- Impairment allowance	(71,146)	(51,920)
Total Net	23,86,368	17,18,223

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

(i) Secured by tangible assets	11,32,506	8,49,766
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government Guarantees	-	-
(iv) Unsecured	13,25,008	9,20,377
Total (B)-Gross	24,57,514	17,70,143
Less: Impairment loss allowance	(71,146)	(51,920)
Total (B)-Net	23,86,368	17,18,223

* All the loans are disbursed in India and there are no loans issued to public sector.

8. Current tax

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Advance tax (net of provisions)	2,534	2,368
Total	2,534	2,368

Advance tax (net of provision) of ₹ 2,368 lakhs FY 2018 has been reclassified from Provision for tax (net of advance tax).

9. Deferred tax (Net)

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Deferred tax asset arising on account of :		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	671	143
Timing difference between book depreciation and Income Tax Act, 1961	1,740	1,779
Provision for MTM on investments	67	1
Provision for expected credit loss on financial assets	21,299	16,812

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Provision for security deposits	40	30
Provision for rent equalisation reserve	6	-
Processing fees and LOC adjustment related to financial assets at amortized cost	2,264	1,569
Provision for expenses disallowed as per Income-tax Act, 1961	2,730	734
Fair valuation of SAR liability	-	53
MAT credit entitlement	-	5,557
Preliminary expenses	14	33
Total deferred tax assets	28,831	26,711

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Deferred tax liability arising on account of :		

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Notes to the reformatted consolidated financial information

Fair valuation of loans assigned	606	-
Borrowing cost adjustment related to financial liabilities at amortized cost	2,496	1,626
Timing difference between book depreciation and Income Tax Act, 1961	8	6
MTM on Investments	65	-
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	67	76
Total deferred tax liabilities	3,242	1,708
Deferred tax assets (net)	25,589	25,003

10. Other Non-Financial Assets

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Advances recoverable in cash or in kind or for value to be received	850	303
Surplus in gratuity fund	-	78
Prepayments	2,752	1,982
Capital advances	115	77
Advances to employees	14	35
Others	2,958	1,737
Total	6,689	4,212

11. Property, Plants and Equipment

(₹ lakhs)

Particulars	Office Equipments	Furniture & Fixtures	Computers & Accessories	Leasehold Improvements	Vehicles	Land & Building*	Leased assets	Total
Gross block								
Balance as at 01 April 2018	1,166	1,225	2,200	1,247	319	12	28	6,197
Additions	856	1,129	2,942	799	297	-	-	6,023
Deletions	(92)	(94)	(734)	(106)	(55)	-	-	(1,081)
Balance as at 31 March 2019	1,930	2,260	4,408	1,940	561	12	28	11,139
Accumulated depreciation								
Balance as at 01 April 2018	35	258	548	310	73	-	21	1,245
Depreciation charge	627	425	1,140	451	121	-	7	2,771
Deletions	(90)	(88)	(731)	(104)	(41)	-	-	(1,054)
Balance as at 31 March 2019	572	595	957	657	153	-	28	2,962
Net block								
Balance as at 01 April 2018	1,131	967	1,652	937	246	12	7	4,951
Balance as at 31 March 2019	1,358	1,665	3,451	1,283	408	12	0	8,176

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

*Pledged as security against secured non -convertible debenture.

As per management assessment there are not probable scenario in which the recoverable amount of asset would decrease below the carrying amount of asset. Consequently no impairment required.

The Group has availed the deemed cost exemption as per Ind AS 101 in relation to the Property Plant and Equipment as on the date of transition (April 01, 2017) and hence the net block of carrying amount as at March 31, 2017 has been considered as the gross block of carrying amount on the date of transition. Refer note below for the gross block value and the accumulated depreciation as at March 31, 2017 under the previous GAAP.

Particulars	(₹ lakhs)		
	Gross block	Accumulated depreciation	Net block
Property, plant and equipment			
Office equipments	3,729	2,649	1,080
Furniture & fixtures	3,075	2,298	777
Computer & accessories	6,501	4,719	1,782
Leasehold improvements	3,550	2,904	646
Vehicles	173	70	103
Land & Building	6	-	6
Leased assets	138	110	28

12. Intangible Assets

Particulars	(₹ lakhs)	
	Computer Software	Total
Gross Block		
Balance as at 01 April 2018	3,155	3,155
Additions	2,022	2,022
Deletions	-	-
Balance as at 31 March 2019	5,177	5,177
Amortisation		
Balance as at 01 April 2018	891	891
Amortisation	1,022	1,022
Deletions	-	-
Balance as at 31 March 2019	1,913	1,913
Net block		
Balance as at 01 April 2018	2,264	2,264
Balance as at 31 March 2019	3,264	3,264
Intangibles assets under development		
Balance as at 01 April 2018	349	349
Balance as at 31 March 2019	138	138

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the Intangible Assets as on the date of transition (April 01, 2017) and hence the net block of carrying amount as at March 31, 2017 has been considered as the gross block of carrying amount on the date of transition. Refer note below for the gross block value and the accumulated depreciation as at March 31, 2017 under the previous GAAP.

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

(₹ lakhs)

Intangible assets	Gross block	Accumulated depreciation	Net block
Computer software	9,154	6,514	2,640

13. Trade Payables*

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Dues of micro and small enterprises (refer Note 42)	52	93
Dues of creditors other than micro and small enterprises	5,962	5,561
Total	6014	5,654

*Other payable of ₹ 5,654 lakhs FY 2018 has been reclassified to Trade payable.

14. Debt Securities##

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
At amortized cost		
Non- convertible debentures (secured)*	10,15,728	6,82,175
Total	10,15,728	6,82,175

Subordinated liabilities	1,11,181	70,541
Total	1,11,181	70,541

*Non- Convertible Debentures are secured by first pari passu charge over all loan receivables and immovable property. Non-Convertible Debenture includes Masala Bonds of Rs. 100,000 Lakhs of which Rs.50,000 Lakhs is listed on Singapore Stock Exchange.

The funds raised by the Company during the year by issue of Secured / Unsecured Non-Convertible Debentures / bonds were utilized for the purpose intended, i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital, in compliance with applicable laws.

15. Borrowings

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
At amortized cost		
Term loans from bank (secured)*	8,63,403	5,92,018
Cash credit from bank (unsecured)	102	12,191
Other Loans	-	-
Commercial papers (unsecured)#	2,23,085	1,59,388
Total	10,86,590	7,63,597

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

(a) Nature of securities and terms of repayment for borrowings

*Indian rupee loan from banks are secured by first pari passu charge over all loan receivables except specific charge on specific loan receivables for one of the financial institution (Term loan outstanding as on 31 March 2018 : Rs. 201 Lakhs)

Commercial paper carries interest in the range of 7.02% to 9.75% p.a. and tenure of 90 to 365 days fully payable at maturity. The interest rate is on XIRR basis.

(b) Nature of securities and terms of repayment for non-current borrowings

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Borrowings	10,86,590	7,63,597
Debt securities	11,26,909	7,52,716
Less: Cash and cash equivalents	29,521	24,597
Net Debt	21,83,978	14,91,716

Changes in Financial Liabilities arising from financing activities

Particulars	(₹ lakhs)	
	Borrowings	Debt securities
Balance as at 31 March 2018	7,63,598	7,52,714
Receipts#	9,28,827	4,61,131
Repayment#	(6,03,166)	(1,07,390)
Finance costs*	82,895	79,375
Finance costs paid	(85,564)	(58,921)
Balance as at 31 March 2019	10,86,590	11,26,909

*Finance cost includes interest accrued but not due.

#in above table receipt/payment includes the change in the cash credit.

Terms of repayment of non-convertible debentures as on 31 March 2019

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Issued at par and redeemable at par						
366-730	08% - 09%	15,300	-	-	-	15,300
731-1095	07% - 08%	2,500	13,500	-	-	16,000
	08% - 09%	56,000	35,000	-	-	91,000
1096-1460	09% - 11%	-	77,500	50,000	-	1,27,500
	07% - 08%	-	51,500	8,000	-	59,500
	08% - 09%	65,500	-	34,100	-	99,600
More than 1460	09% - 11%	4,000	-	1,02,500	20,300	1,26,800
	07% - 08%	-	-	20,000	50,000	70,000
	08% - 09%	-	-	9,930	27,800	37,730
	11% - 12%	-	-	-	13,810	13,810
Issued at discount and redeemable at par						
731-1095	08% - 09%	-	-	5,000	-	5,000
More than 1460	09% - 11%	-	-	15,500	-	15,500
	09% - 11%	-	-	-	19,500	19,500
Issued at par and redeemable at premium						

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

1096-1460	08% - 09%	-	7,500	78,400	5,800	91,700
	09% - 11%	-	-	-	13,940	13,940
Issued at premium and redeemable at premium-						
731-1095	08% - 09%	-	-	4,730	-	4,730
	09% - 11%	-	-	18,060	-	18,060
1096-1460	08% - 09%	-	-	5,000	-	5,000
	09% - 11%	-	-	2,070	3,030	5,100
Issued at premium and redeemable at par-						
1096-1460	09% - 11%	-	-	5,500	-	5,500
Total		1,90,800	2,61,500	3,85,290	2,42,080	10,79,670

Terms of repayment of non-convertible debentures as on 31 March 2018

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Issued at par and redeemable at par						
731-1095	07% - 08%	12,500	2,500	13,500	-	28,500
	08% - 09%	12,500	76,000	30,000	-	1,18,500
	09% - 11%	1,700	-	-	-	1,700
1096-1460	07% - 08%	-	-	51,500	8,000	59,500
	08% - 09%	11,500	55,500	-	37,630	1,04,630
	09% - 11%	5,500	14,000	-	-	19,500
More than 1460	07% - 08%	-	-	-	70,000	70,000
	08% - 09%	10,000	10,000	20,000	16,800	56,800
	09% - 11%	27,500	37,500	56,500	84,400	2,05,900
	11% - 12%	6,190	-	-	13,810	20,000
Issued at par and redeemable at premium						
1096-1460	08% - 09%	-	-	7,500	28,400	35,900
Issued at premium and redeemable at premium						
1096-1460	08% - 09%	-	-	-	5,000	5,000
Total		87,390	1,95,500	1,79,000	2,64,040	7,25,930

Terms of repayment of term loans as on 31 March 2019

Original maturity of loan (in no. of days)	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Quarterly repayment schedule										
1096-1460	08% - 09%	8	5,333	4	2,667	-	-	-	-	8,000
	09% - 11%	7	4,583	2	417	-	-	-	-	5,000
More than 1460	08% - 09%	4	9,167	-	3,333	-	3,333	14	10,833	26,667
	09% - 11%	54	59,811	53	75,783	29	51,124	36	56,244	2,42,963
Half yearly repayment schedule										
366-730	09% - 11%	-	250	-	-	-	-	-	-	250
731-1095	09% - 11%	7	13,333	4	9,500	2	7,250	4	5,000	35,083
1096-1460	09% - 11%	1	250	2	1,333	1	1,917	4	2,500	6,000

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	08% - 09%	4	1,667	4	1,667	-	-	-	-	3,333
More than 1460	08% - 09%	28	48,632	28	51,236	22	40,819	23	48,653	1,89,340
	09% - 11%	4	12,166	1	13,002	-	17,042	2	37,917	80,126
Yearly repayment schedule										
731-1095	08% - 09%	1	5,000	1	5,000	-	-	-	-	10,000
1096-1460	09% - 11%	1	3,333	1	3,333	1	3,333	-	-	10,000
More than 1460	08% - 09%	1	6,667	2	8,330	1	1,667	1	16,667	33,330
	09% - 11%	4	20,000	6	28,542	6	28,542	6	20,417	97,500
Bullet repayment schedule										
731-1095	08% - 09%	-	-	2	12,500	-	-	-	-	12,500
	09% - 11%	2	15,000	1	4,000	-	-	-	-	19,000
1096-1460	08% - 09%	-	-	-	-	-	-	1	15,000	15,000
	09% - 11%	-	-	4	15,000	2	25,000	-	-	40,000
More than 1460	09% - 11%	-	-	-	-	-	-	1	30,000	30,000
Total		126	2,05,192	115	2,35,643	64	1,80,027	92	2,43,231	8,64,093

Terms of repayment of term loans as on 31 March 2018

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 1460	09% - 11%	1	201	-	-	-	-	-	-	201
Quarterly repayment schedule										
1096-1460	07% - 08%	-	-	8	5,333	4	2,667	-	-	8,000
	08% - 09%	10	6,666	11	6,250	6	2,083	2	833	15,833
More than 1460	07% - 08%	4	6,600	8	13,200	8	13,200	16	27,000	60,000
	08% - 09%	38	41,000	39	38,033	28	26,783	15	6,580	1,12,397
	09% - 11%	4	1,111	4	1,111	2	556	-	-	2,778
Half yearly repayment schedule										
731-1095	08% - 09%	10	4,666	11	5,584	-	-	-	-	10,250
	09% - 11%	4	3,750	2	5,000	-	-	-	-	8,750
1096-1460	08% - 09%	4	1,667	4	1,667	4	1,667	-	-	5,000
More than 1460	07% - 08%	3	3,674	6	7,347	6	7,347	12	14,133	32,500
	08% - 09%	23	41,541	30	39,790	27	35,210	31	37,875	1,54,416
	09% - 11%	3	7,417	2	2,500	-	-	-	-	9,917
Yearly repayment schedule										
731-1095	08% - 09%	-	-	2	5,000	1	5,000	-	-	10,000
More than 1460	08% - 09%	3	11,667	6	26,667	7	30,000	9	46,667	1,15,000
Bullet repayment schedule										
731-1095	07% - 08%	-	-	2	15,000	3	16,500	-	-	31,500
1096-1460	07% - 08%	-	-	-	-	4	15,000	-	-	15,000
Total		107	1,29,960	135	1,72,482	100	1,56,013	85	1,33,088	5,91,543

Note: The above disclosures are based on face value of non-convertible debentures / principal amounts of term loans as per terms of issue / contract and outstanding as at respective reporting dates.

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Notes to the reformatted consolidated financial information

Particulars of Secured Redeemable Non-convertible Debentures:

(₹ lakhs)

Particulars	Face Value (₹)	Quantity As at 31 March 2019	Date of Redemption	31 March 2019	31 March 2018
9.20% Series-73	10	500	08-Aug-25	5,000	-
8.35% Series-67	10	700	17-Apr-24	7,000	-
10.45% Series-27C	5	500	23-Nov-23	2,500	2,500
9.85% Series-24	10	400	22-May-23	4,000	4,000
10.60% Series-22	10	750	28-Apr-23	7,500	7,500
7.35% MS-002	10	-	25-Nov-22	50,000	50,000
8.99% Series-49	10	500	15-Jul-22	5,000	5,000
9.16% SERIES-33C	10	230	20-May-22	2,300	2,300
8.89% Series-81	10	580	10-May-22	5,800	-
9.51% Series-75	10	1,394	19-Apr-22	13,940	-
9.70% Series-76	10	1,300	19-Apr-22	13,000	-
9.40% Series-78-II	10	1,033	13-Apr-22	10,330	-
9.30% Series-80	10	7,500	31-Jan-22	75,000	-
10.00% Series-29All	5	1,800	30-Dec-21	9,000	9,000
8.00% Series-62	10	2,000	28-Dec-21	20,000	20,000
9.10% Series-68-II	10	1,550	15-Dec-21	15,500	-
9.10% Series-68-I	10	2,550	01-Dec-21	25,500	-
8.25% Series-53	10	713	22-Nov-21	7,130	7,130
8.83% Series-70	10	5,000	22-Jul-21	50,000	-
8.83% Series-69	10	2,373	15-Jul-21	23,730	-
9.20% Series-77	10	5,000	09-Jul-21	50,000	-
8.52% Series-65	10	2,050	08-Jun-21	20,500	15,500
9.20% Series-32II	10	1,500	28-May-21	15,000	15,000
8.95% Series-42	10	100	10-May-21	1,000	1,000
8.95% Series-41	10	180	29-Apr-21	1,800	1,800
8.52% Series-64	10	1,850	20-Apr-21	18,500	18,500
8.00% Series-58	10	800	13-Apr-21	8,000	8,000
8.45% Series-66	10	1,963	08-Apr-21	19,630	14,900
9.33% Series-78-I	10	1,000	19-Mar-21	10,000	-
9.30% Series-79	10	5,000	15-Mar-21	50,000	-
9.22% Series-34B (ii)	10	700	08-Mar-21	7,000	7,000
8.20% Series-63	10	750	26-Feb-21	7,500	7,500
9.05% Series-34F	10	100	18-Jan-21	1,000	1,000
9.25% SERIES-33DIII	10	1,000	30-Dec-20	10,000	10,000
9.05% Series-36A	10	1,500	30-Dec-20	15,000	15,000
8.75% Series-37	10	3,000	15-Dec-20	30,000	40,000
7.65% Series-61	10	1,000	15-Dec-20	10,000	10,000
9.10% Series-34D (ii)	10	250	30-Nov-20	2,500	2,500
9.05% Series-35	10	1,500	28-Nov-20	15,000	15,000
8.01% Series-57	10	2,500	06-Oct-20	25,000	25,000
7.65% Series-59	10	1,350	06-Oct-20	13,500	13,500
8.85% Series-74	10	500	31-Aug-20	5,000	-
7.68% Series-56	10	1,600	14-Aug-20	16,000	16,000
8.00% Series-55	10	1,250	30-Apr-20	12,500	12,500

Fullerton India Credit Company Limited

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Particulars	Face Value (₹)	Quantity As at 31 March 2019	Date of Redemption	31 March 2019	31 March 2018
9.85% Series-29AI	5	1,200	14-Apr-20	6,000	6,000
8.80% Series-72	10	1,250	30-Jan-20	12,500	-
9.30% Series-30DII	10	250	29-Jan-20	2,500	2,500
8.75% Series-71	10	280	30-Dec-19	2,800	-
7.65% Series-60	10	250	20-Dec-19	2,500	2,500
9.42% Series-30B	10	500	09-Dec-19	5,000	5,000
9.10% Series-34D (i)	10	400	29-Nov-19	4,000	4,000
8.59% MS-001	10	-	23-Nov-19	50,000	50,000
8.90% Series-47	10	500	16-Sep-19	5,000	5,000
8.75% Series-52	10	1,000	12-Aug-19	10,000	10,000
8.65% Series-50	10	1,500	02-Aug-19	15,000	15,000
8.79% Series-51	10	250	23-Jul-19	2,500	2,500
9.90% Series-28	5	3,000	24-Jun-19	15,000	15,000
8.90% Series-46	10	250	07-Jun-19	2,500	2,500
9.10% Series-32I	10	1,500	28-May-19	15,000	15,000
9.73% Series-44	10	1,000	27-May-19	10,000	10,000
8.90% Series-45	10	200	24-May-19	2,000	2,000
8.90% Series-39(ii)	10	50	29-Apr-19	500	500
8.85% Series-40	10	1,550	19-Apr-19	15,500	15,500
8.90% Series-38	10	600	04-Apr-19	6,000	6,000
8.90% Series-39(i)	10	250	03-Apr-19	2,500	2,500
8.80% Series-48	10	-	27-Mar-19	-	20,000
7.97% Series-54	10	-	22-Mar-19	-	12,500
9.30% Series 30DI	10	-	29-Jan-19	-	2,500
10.90% Series-27F	5	-	07-Jan-19	-	5,000
8.95% Series-34E	10	-	17-Dec-18	-	1,500
11.00% Series-27E	5	-	10-Dec-18	-	5,000
8.90% Series-34C	10	-	15-Oct-18	-	10,000
8.90% Series 43	10	-	17-Sep-18	-	12,500
9.10% Series-34B (i)	10	-	07-Sep-18	-	1,500
9.30% Series-25	10	-	14-Jun-18	-	5,000
9.11% Series-33DII	10	-	25-May-18	-	1,700
9.50% Series-23	10	-	08-May-18	-	10,000
9.05% Series-33A	10	-	30-Apr-18	-	4,000
8.05% Series-2	10	400	24-Mar-23	4,000	4,000
8.05% Series-5	10	500	20-Apr-21	5,000	5,000
8.48% Series-7	10	1,000	20-Apr-21	10,000	10,000
7.95% Series-4	10	300	26-Nov-20	3,000	3,000
7.95% Series-3	10	1,000	28-Aug-20	10,000	10,000
8.25% Series-1	10	500	27-May-20	5,000	5,000
8.75% Series-6	10	680	28-May-23	6,800	-
9.2% Series-8	10	750	28-Jul-21	7,500	-
9.25% Series-9	10	250	08-Aug-25	2,500	-
9.68% Series-10	10	1,250	24-Mar-21	12,500	-
9.67% Series-11	10	500	22-Mar-21	5,000	-

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Notes to the reformatted consolidated financial information

Particulars	Face Value (₹)	Quantity As at 31 March 2019	Date of Redemption	31 March 2019	31 March 2018
Total				9,74,760	6,56,830

Particulars of Unsecured Redeemable Non-convertible Debentures (Subordinated Debt):

(₹ lakhs)

Particulars	Face Value (₹)	Quantity as at 31 March 2019	Date of Redemption	31 March 2019	31 March 2018
9.25% Subdebts_Series 15	10	1,500	26-Apr-29	15,000	-
9.45% Subdebts_Series 14	10	450	20-Jul-28	4,500	-
9.30% Subdebts_Series 13	10	2,250	08-Jun-28	22,500	-
9.30% Subdebts_Series 11	10	210	30-Apr-26	2,100	2,100
9.25% Subdebts_Series 10	10	250	23-Mar-26	2,500	2,500
9.30% Subdebts_Series 9II	10	250	25-Feb-26	2,500	2,500
9.50% Subdebts_Series 7I	10	1,000	13-Oct-25	10,000	10,000
9.50% Subdebts_Series 5I	10	250	10-Jun-25	2,500	2,500
8.75% Subdebts_Series 12(ii)	10	250	25-Apr-25	2,500	2,500
9.60% Subdebts_Series 4	10	500	26-Dec-24	5,000	5,000
8.75% Subdebts_Series 12(i)	10	250	26-Apr-24	2,500	2,500
10.50% Subdebts_Series 3	5	1,000	28-Oct-23	5,000	5,000
9.30% Subdebts_Series 9I	10	250	25-Apr-23	2,500	2,500
11.40% Subdebts_Series 2C	10	500	28-Oct-22	5,000	5,000
9.40% Subdebts_Series 7II	10	500	13-Oct-22	5,000	5,000
11.40% Subdebts_Series 2B	10	400	28-Sep-22	4,000	4,000
11.40% Subdebts_Series 1B	10	481	14-Sep-22	4,810	4,810
9.4% Subdebts_Series 6II	10	250	03-Aug-22	2,500	2,500
9.4% Subdebts_Series 5II	10	200	10-Jun-22	2,000	2,000
9.5% Subdebts_Series 8	10	250	25-Jun-21	2,500	2,500
11.25% Subdebts_Series 2A	10	-	27-Jun-18	-	1,000
11.25% Subdebts_Series 1A	10	-	14-Jun-18	-	5,190
Total				1,04,910	69,100

16. Other financial liabilities*

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Employee benefits and other payables	11,742	8,810
Bank balances (Book Overdraft)	60,835	73,956
Payable towards asset assignment / securitization	1,449	967
Others	27,086	15,380
Total	1,01,112	99,113

*Other payable of ₹ 5,654 lakhs for FY 2018 has been reclassified to Trade payable.

17. Current tax liability

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Provision for Income Tax (net of advance tax)	1,937	4,155
Total	1937	4,155

18. Provisions

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Provision for employee benefits		
- Provision for superannuation	1	1
- Provision for compensated absences	38	38
- Provision for defined benefit plans	720	0
Total	759	39

19. Other non-financial liabilities

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Statutory dues	2,097	1,664
Others	3,961	3,035
Total	6,058	4,699

20. Equity Share capital

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Authorized Equity shares Capital	250,000	250,000
2,500,000,000 (31 March 2018: 2,500,000,000) equity shares of Rs.10 each		
Issued, subscribed and fully paid up	201,150	198,007
2,011,498,295 (31 March 2018: 1,980,071,519) equity shares of Rs.10 each, fully paid up		

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount (₹ lakhs)	No. of shares	Amount (₹ lakhs)
Balance at the beginning of the year	1,98,00,71,519	1,98,007	1,98,00,71,519	1,98,007
Add :Shares issued during the year	3,14,26,776	3,143	-	-
Balance at the end of the year	2,01,14,98,295	2,01,150	1,98,00,71,519	1,98,007

Fullerton India Credit Company Limited

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(b) Terms/right 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.

Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend is declared and paid in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount (₹ lakhs)	no. of shares	Amount (₹ lakhs)
Angelica Investments Pte Ltd, Singapore, the holding company and its nominees	1,92,62,41,938	1,92,624	1,89,48,15,162	1,89,482
Fullerton Financial Holdings Pte Ltd, Singapore, holding company of Angelica Investments Pte Ltd	8,52,56,357	8,526	8,52,56,357	8,526

(d) Shareholders holding more than 5% of the shares in the Company

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of Shares	% of holding	Number of Shares	% of holding
Angelica Investments Pte Ltd, Singapore, the holding company and its nominees	1,92,62,41,938	95.8%	1,89,48,15,162	95.7%

The Group has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2019.

21. Other equity

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
General Reserve	96	96
Capital Reserve	3,453	3,453
Securities premium	32,235	20,378
Reserve Fund under Section 45 - IC of the RBI Act, 1934	48,788	33,284
Reserve Fund under Section 29C(i) of the NHB Act, 1987	231	220
Items of OCI	(454)	1
Surplus in the statement of profit and loss	72,805	10,894
Total	1,57,154	68,326

(Refer Statement of Change in Equity for the year ended 31st March 2019 for movement in Other Equity)

Nature and purpose of reserves**(i) General Reserve**

Pursuant to the provisions of Companies Act 1956, the company had transferred a portion of profit of the company before declaring dividend to general reserve. However mandatory transfer to general reserve is not required under Companies Act, 2013.

(ii) Capital Reserve

Capital Reserve is created on account of reversal of debenture issue costs charged to securities premium under previous GAAP. The same shall be utilized as per the provisions of Companies Act, 2013.

(iii) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Reserve Fund under Section 45 - IC of the RBI Act, 1934

The company is required to create a fund by transferring not less than 20% its net profit every year as disclosed in the statement of profit and loss account and before any dividend is declared. The fund shall be utilised for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank within 21 days from the date of such withdrawal.

(v) Reserve Fund under section 29C(i) of the NHB Act, 1987

The company is required to create a fund by transferring not less than 20% its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The fund shall be utilised for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank within 21 days from the date of such withdrawal.

(vi) Retained Earnings & Surplus in the statement of profit and loss

Retained earnings are profit that the company has earned to date, less any dividend or other distributions paid to the shareholders, net of utilization as permitted under applicable law.

22. Interest Income

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Portfolio Loans	4,17,267	2,63,994
On Deposits with Banks	3,898	4,625
On Investments	6,068	3,673
Total	4,27,233	2,72,292

23. Fee and Commission Income

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Fees & Commission Income	6,742	4,672
Total	6,742	4,672

24. Net gain on financial assets at FVTPL

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Realized Gain	4,905	793
Unrealized Gain	181	314
Total	5,086	1,107

25. Ancillary Income

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Other fee income	6,385	5,240
Total	6,385	5,240

26. Other Income

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Profit on de-recognition of property plant and equipment	11	9
Security Deposits	404	133
Miscellaneous income	918	1,470
Total	1,333	1,612

27. Finance Cost

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
On financial liabilities measured at amortised cost		
Borrowings	81,708	49,023
Debt Securities	79,375	54,155
Bank charges and others	1,174	808
Total	1,62,257	1,03,986

28. Net loss on financial assets at FVTPL

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Unrealised loss	193	24
Total	193	24

29. Impairment on financial instruments

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Bad debts and Write off (net of recovery)	36,139	62,279
Provision for loans and advances	19,228	(12,745)
Total	55,367	49,745

*Bad debts and write offs are offset by recovery of 21,320 lakhs (FY 2018: 20,361 lakhs)

30. Employee benefits expense

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Salaries, bonus and allowances	56,523	44,403
Share based payment to employees and directors	1,116	535
Contribution to provident and other funds	2,830	2,107
Gratuity expense (refer note 37)	343	329
Staff welfare and training expenses	2,564	1,738
Total	63,376	49,112

31. Other Expenses

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Printing and stationery	1,621	1,273
Rent	4,728	3,801
Rates and taxes	75	69
Insurance	91	67
Business promotion expenses	5,060	1,170
Legal charges	740	328
Professional charges	11,565	8,360
Collection expenses	2,169	1,711
Courier charges	736	524
Repairs and maintenance		
Office premises	2,262	1,515
Others	181	308
Directors' sitting fees	104	52
Travelling expenses	4,081	2,807
Telecommunication expenses	1,533	1,018
Payment to auditor (refer details below)	102	73
Electricity charges	1,132	928
Security charges	414	246
Recruitment expenses	441	394
Training expenses	965	230
Fees and subscriptions	161	41

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

Corporate social responsibility expenses as per section 135 (5) of Companies Act, 2013 (see note 43)	834	577
Miscellaneous expenses	3,059	834
Write off of Property, plant & equipment and intangible assets	10	24
Total	42,064	26,350

Professional fees payable to auditors		
Statutory Audit fee	54	46
Tax Audit fee	9	9
Other services	10	9
In other capacity		
- Certification matter and others	24	6
- Reimbursement of expenses	5	3
Total	102	73

32. Tax Expense

(a) Amount recognised in the statement of profit and loss

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Current tax for the year	48,445	13,794
Adjustment of tax relating to earlier periods	-	(1,128)
Current tax expense (A)	48,445	12,666
Deferred taxes for the year		
(Increase)/decrease in deferred tax assets	(7,675)	5,303
Increase/(decrease) in deferred tax liabilities	1,534	(324)
Net deferred tax Asset (B)	(6,141)	4,979
Total Income Tax Expense (A+B)	42,304	17,645

(b) Amount recognised in Other comprehensive income

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Items that will not be reclassified to profit or loss		
Actuarial loss on defined benefit obligations (net of tax)	(455)	1
Total	(455)	1

(c) Tax reconciliation (for profit and loss)

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Profit before income tax expense	119,729	52,324
Tax Charge at the statutory tax rate	41,821	18,127
Tax effect of amounts which are not deductible / not taxable in calculating taxable income (Timing differences)		
Items which are taxed at different rates	156	(860)
Net expenses that are not deductible in determining taxable profit	452	284

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Deductible expenses debited to OCI	(152)	(1)
Recognition of previously unrecognised temporary differences	27	95
Income tax expenses reported in PL	42,304	17,645
Tax Rate Effective*	35.33%	33.72%
Income tax expense	42,304	17,645

**In FY 2018-19 the Govt. enacted or a change in national income tax rate by increasing health and education cess tax from 3% to 4%, accordingly income tax rate has been increased from 34.61% in FY 2017-18 to 34.94% in FY 2018-19

Significant components and movement in deferred tax assets and liabilities

(₹ lakhs)

Particulars	As at 01 April 2018	Recognise d in Profit and loss	Recognise d in OCI	Recognise d in equity	As at 31 March 2019
Deferred tax liabilities on account of:					
Fair valuation of loans assigned	-	606	-	-	606
Borrowing cost adjustment related to financial liabilities at amortized cost	1,626	870	-	-	2,496
Timing difference between book depreciation and Income Tax Act, 1961	6	2	-	-	8
MTM on Investments	-	65	-	-	65
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	76	(9)	-	-	67
Deferred Tax Liability (A)	1,708	1,534	-	-	3,242
Deferred tax assets on account of:					
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	143	528	-	-	671
Timing difference between book depreciation and Income Tax Act, 1961	1,779	(38)	-	-	1,741
MTM on Investments	1	66	-	-	67
Impact of application on expected credit loss on financial assets	16,812	4,487	-	-	21,299
Provision for security deposits	30	10	-	-	40
Provision for rent equalisation reserve	-	6	-	-	6
Processing fees and LOC adjustment related to financial assets at amortized cost	1,569	694	-	-	2,263
Provision for expenses disallowed as per Income-tax Act, 1961	734	1,996	-	-	2,730
Fair valuation of SAR liability	53	(53)	-	-	-
MAT credit entitlement	5,557	(5,557)	-	-	-
Preliminary expenses	33	(19)	-	-	14
Deferred tax assets (B)	26,711	2,120	-	-	28,831
Net Deferred Tax Assets (B-A)	25,003	586	-	-	25,589

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

(₹ lakhs)

Particulars	As at 1 April 2017	Recognised in Profit and loss	Recognis ed in OCI	Recognised in equity	As at31 March 2018
Deferred tax liabilities on account of:					
Borrowing cost adjustment related to financial liabilities at amortized cost	1700	(406)	-	332	1626
Timing difference between book depreciation and Income Tax Act, 1961	-	6	-	-	6
Special Reserve created as per section 29C of NHB Act, 1987 and claimed as deduction u/s 36 (1) (viii) of Income Tax Act, 1961	-	76	-	-	76
Deferred Tax Liability (A)	1,700	(324)	-	332	1,708
Deferred tax assets on account of:					
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	228	(85)	-	-	143
Timing difference between book depreciation and Income Tax Act, 1961	1,645	134	-	-	1,779
MTM on investments	107	(106)	-	-	1
Impact of application on expected credit loss on financial assets	22,288	(5,476)	-	-	16,812
Provision for security deposits	30	-	-	-	30
Processing fees and LOC adjustment related to financial assets at amortized cost	1,705	(136)	-	-	1,569
Provision for expenses disallowed as per Income-tax Act, 1961	416	318	-	-	734
Fair valuation of SAR liability	38	15	-	-	53
MAT credit entitlement	6,127	(570)	-	-	5,557
Preliminary expenses	-	33	-	-	33
Deferred tax assets (B)	32,584	(5,873)	-	-	26,711
Net Deferred Tax Assets (B-A)	30,884	(5,547)	-	(332)	25,003

33. Earnings Per Share

Particulars	As at 31 March 2019	As at 31 March 2018
Net Profit after tax attributable to equity holders (₹ lakhs)	77,425	34,679
Weighted average number of equity shares for Basic earnings per share (No. of Share)	1,99,58,27,957	1,98,00,71,519
Weighted average number of equity shares for Diluted earnings per share (No. of Share)	1,99,58,27,957	1,98,00,71,519
Earnings per Share		
Basic earning per share ₹	3.88	1.75
Diluted earning per share ₹	3.88	1.75
Nominal value of shares Rs. 10 each (Previous year: ₹ 10 each)		

The Group has not issued any potential equity shares. Accordingly diluted EPS is equal to basic EPS

34. First time adoption of Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS applicable as at 31 March 2019. For the period upto and including the year ended 31 March 2018, the Group has prepared its financial statements in accordance with Previous GAAP.

The accounting policies set out in Note 1C have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements as at and for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the date of transition). This note explains the principle adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

Optional exemptions availed and mandatory exceptions

In preparing these Ind AS financial statements, the Group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP is recognised directly in equity (retained earnings or another appropriate category of equity).

An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is as follows:

A. Exceptions and exemptions availed

i. Ind AS mandatory exceptions

Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

Classification and measurement of financial assets

The Group has determined the classification and measurement of financial assets based on facts and circumstances that existed on the date of transition.

De-recognition of financial assets and liabilities

The Group has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Stock appreciation rights

The Group has elected to apply Ind AS 102 Share-based payment to SAR that were unvested and unexercised on the date of transition to Ind AS.

Impairment of financial assets

The Group has applied the impairment related requirements of Ind AS 109 retrospectively from the transition date.

ii. Optional exemptions availed

Deemed cost - Property Plant and Equipment and Other Intangible Assets

The Group has elected to continue with the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

B Reconciliations between Previous GAAP and Ind AS

For the purposes of reporting as set out in Note 1B, the Group has transitioned its basis of accounting from Previous GAAP to Ind AS. The accounting policies set out in Note 1C have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 01, 2017 (the 'transition date').

In preparing the opening Ind AS balance sheet, amounts reported in financial statements prepared in accordance with Previous GAAP have been adjusted. An explanation of how the transition from Previous GAAP to Ind AS has affected the financial performance, financial position and cash flows is set out in the following tables and the notes that accompany the tables.

B.1 First time adoption of Ind AS

i) Effect of Ind AS adoption on the balance sheet as below

(₹ lakhs)

Particulars	01 April 2017			31 March 2018		
	Previous GAAP*	Adjustments	Amount IND AS	Previous GAAP*	Adjustments	Amount IND AS
ASSETS						
Financial assets						
Cash and cash equivalents	9,761	-	9,761	24,597	-	24,597
Bank balances other than cash and cash equivalents	57,600	-	57,600	58,878	-	58,878
Investments	1,94,661	87	1,94,748	52,347	84	52,431
Trade receivables	381	-	381	752	-	752
Other financial assets	13,683	(722)	12,961	2,868	(590)	2,278
Loans and advances	11,53,420	(29,871)	11,23,549	17,50,196	(31,973)	17,18,223
Total Financial assets	14,29,506	(30,506)	13,99,000	18,89,638	(32,479)	18,57,159
Non- Financial assets						
Current tax assets (net)	2,478	-	2,478	2,368	-	2,368
Deferred tax asset (net)	21,930	8,953	30,884	15,279	9,724	25,003
Property, plant and equipment	4,422	-	4,422	4,951	-	4,951
Intangibles assets	2,640	-	2,640	2,264	-	2,264
Intangibles assets under development	360	-	360	349	-	349
Other Non-Financial assets	3,008	696	3,703	3,664	548	4,212
Total Non-Financial assets	34,838	9,649	44,487	28,875	10,272	39,147
Total Assets	14,64,344	(20,857)	14,43,487	19,18,513	(22,207)	18,96,306
LIABILITIES AND EQUITY						
Liabilities						
Financial liabilities						
Trade payables	4,810	-	4,810	5,654	-	5,654
Debt Securities #	5,65,990	(3,968)	5,62,022	7,56,799	(4,083)	7,52,716

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

Particulars	01 April 2017			31 March 2018		
	Previous GAAP*	Adjustments	Amount IND AS	Previous GAAP*	Adjustments	Amount IND AS
Borrowings	5,95,670	-	5,95,670	7,63,597	-	7,63,597
Other financial liabilities	45,494	118	45,613	98,956	157	99,113
Total Financial Liability	12,11,964	(3,850)	12,08,115	16,25,006	(3,926)	16,21,080
Non-Financial liabilities						
Current tax liabilities (net)	268	-	268	4,155	-	4,155
Provisions	59	-	59	39	-	39
Other Non-Financial liabilities	3,318	-	3,318	4,699	-	4,699
Total Non-Financial Liability	3,645	-	3,645	8,893	-	8,893
Equity						
Equity share capital	1,98,007	-	1,98,007	1,98,007	-	1,98,007
Other equity	50,728	(17,007)	33,720	86,607	(18,281)	68,326
Total Equity	2,48,735	(17,007)	2,31,727	2,84,614	(18,281)	2,66,333
Total Liabilities and Equity	14,64,344	(20,857)	14,43,487	19,18,513	(22,207)	18,96,306

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Debt Securities includes subordinated liabilities

ii) Effect of Ind AS adoption on statement of Profit and Loss for the year ended 31 March 2018

(₹ lakhs)

Particulars	Previous GAAP*	Adjustments	Amount under Ind AS
Revenue from operations			
Interest income	2,71,505	787	2,72,292
Fees and commission income	4,672	-	4,672
Net gain on fair value changes	1,110	(3)	1,107
Ancillary income	5,240	-	5,240
Total revenue from operations	2,82,527	784	2,83,311
Other income	1,612	-	1,612
Total Income	2,84,139	784	2,84,923
Expenses			
Finance costs	1,03,184	802	1,03,986
Net loss on fair value changes	24	-	24
Impairment on financial instruments	46,988	2,757	49,745
Employee benefits expense	49,073	39	49,112
Depreciation, amortisation and impairment	3,382	-	3,382
Other expenses	26,202	148	26,350
Total expenses	2,28,853	3,746	2,32,599
Profit before tax	55,286	(2,962)	52,324
Tax expense			
(i) Current tax	13,794	-	13,794
(ii) Adjustment of tax relating to earlier periods	(1,128)	-	(1,128)
(iii) Deferred tax expense / (credit)	6,083	(1,104)	4,979
Net profit after tax	36,538	(1,858)	34,679
Other comprehensive income / (loss)			

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plan (net of tax)	-	1	1
Total comprehensive income / (loss) for the year, net of tax	36,538	(1,859)	34,680

(iii) Reconciliation of equity from previous GAAP to IND AS

(₹ lakhs)

Particulars	Note	Equity as at 31 March 2018	Equity as at 01 April 2017
Equity as per previous GAAP		2,84,614	2,48,735
GAAP adjustments:			
Impact on recognition of financial assets and financial liabilities of amortised cost by application of Effective interest rate:-			
Financial assets	a	(1,314)	(1,953)
Financial liabilities	b	4,083	3,968
Impact on application of expected credit loss	c	(30,701)	(27,944)
Fair valuation of investments	d	84	87
Fair valuation of SAR liability	e	(157)	(118)
Impact of deferred taxes on the above adjustments	g	9,724	8,953
Total - GAAP adjustments		(18,281)	(17,007)
Equity as per IND AS		2,66,333	2,31,727

Reconciliation of Total Comprehensive Income from previous GAAP to Ind AS

Particulars	Note	For the year 31 March 2018 (₹ lakhs)
Net profit for the period as per previous GAAP		36,538
GAAP adjustments:		
Impact on recognition of financial assets and financial liabilities of amortised cost by application of Effective interest rate:-		
Financial assets	a	639
Financial liabilities	b	(802)
Impact on application of expected credit loss	c	(2,757)
Fair valuation of investments	d	(3)
Fair valuation of SAR liability	e	(39)
Reclassification of recognising actuarial gains on defined benefit obligations in other comprehensive income	f	(1)
Impact of deferred taxes on the above adjustments	g	1,104
Net profit after tax as per Ind AS		34,679
Impact of recognising actuarial gains on defined benefit obligations in other comprehensive income (net of tax)		1
Total comprehensive income after tax as per Ind AS		34,680

iv) Impact on Cash flow statements :

There is no significant impact on cash flow from operating, investing and financing activities for the year ended 31 March 2018 on transition to Ind AS.

B.2 Notes to reconciliations

a. Financial assets carried at amortised cost

Security Deposits

Under the Previous GAAP, interest free lease security deposits given (that are refundable in cash on expiry/termination of the lease term) were recorded at their transaction value.

Under Ind AS, all financial assets are required to be measured at fair value on initial recognition. Accordingly, the Group has fair valued lease security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid expenses. Subsequently, the deposit will be measured at amortised cost resulting into recognition of finance income in the statement of profit and loss.

Portfolio loans

Under the Previous GAAP, loans are accounted at the gross transaction price where processing fees is recognised as income and loan origination costs are recognised as expenses, over the period of the loan in proportion to the interest income for the entire period.

Under Ind AS, transaction costs are included in the initial recognition amount of financial assets and recognised as interest income using the effective interest method.

b. Financial liabilities carried at amortised cost

Under the Previous GAAP, transaction costs incurred on borrowings were charged to securities premium upfront.

Under Ind AS, transaction costs are included in the initial recognition amount of financial liabilities and recognised as interest expenses using the effective interest method. Ind AS impact of the amount already rightly charged in securities premium till transition date is reversed under capital reserve.

c. Impact on implementation of expected credit loss on financial assets

Under the Previous GAAP, provision for doubtful debts are made based on the RBI and NHB prudential norms for incurred losses.

Under Ind AS, an impairment loss shall be recognised as per the expected credit losses model on all financial assets (other than those measured at fair value).

d. Fair Valuation of Investments

Under the Previous GAAP, long term investments are carried at cost. Short term investments are carried at net realizable value or cost whichever is lower.

Under Ind AS, the Group has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in equity.

e. Fair Valuation of Stock Appreciation Rights

Under the Previous GAAP, the cost of cash-settled employee share-based plan were recognised using the net book value as at the grant date.

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

Under Ind AS, the Group has designated such investments as FVTPL investments. Ind AS requires FVTPL investments to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in equity.

f. Impact of recognizing actuarial gains / (losses) on defined benefit obligations in other comprehensive income

Under the Previous GAAP, actuarial gains / losses on defined benefit obligations were recognised in statement of profit and loss as part of employee benefit expenses.

Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss.

g. Impact on account of deferred taxes

Under the Previous GAAP, deferred tax was accounted as per the income approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income.

Under Ind AS, deferred tax is accounted as per the balance sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base. The adjustments in equity and net profit, as discussed above, resulted in additional temporary differences on which deferred taxes are calculated. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has accounted deferred tax on them.

h. Retained Earnings

Retained earnings as on 1st April 2017 has been adjusted consequent to the above IND AS transition adjustment.

35. Related Party Disclosures

Related party disclosures as required under Indian Accounting standard 24, "Related party disclosure" are given below for the related parties of the Company with whom there have been transaction during the year.

35.1. List of related parties

Nature of Relationship	Name of Related Party
Ultimate Holding Company	Temasek Holdings (Private) Limited
Holding Company	Angelica Investments Pte Ltd, Singapore ('Angelica')
	Fullerton Financials Holdings Pte Ltd (Holding Company of Angelica)
Fellow Subsidiary	Fullerton Securities & Wealth Advisors Ltd.
	Fullerton Financial Holdings (International) Pte Ltd
	Temasek International (Private) Limited
Subsidiary	Fullerton India Foundation for Social & Economic Development (Non Profit Company)
	Fullerton India Home Finance Company Ltd.
Key Management Personnel	Dr. Milan Robert Shuster -Independent Director
	Ms. Sudha Pillai - Independent Director
	Ms. Renu Challu - Independent Director
	Mr. Premod Thomas - Independent Director
	Mr. Shirish Apte - Independent Director
	Mr. Kenneth Ho Tat Meng - Non Executive Director
	Mr. Anindo Mukherjee - Non Executive Director (up to 31

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Notes to the reformatted consolidated financial information

	December 2017 and from 13 February 2018)
	Mr. Shantanu Mitra, Chief Executive Officer and Managing Director (upto 31 December 2017)
	Mr. Anindo Mukherjee, Interim CEO & Whole Time Director (1 Jan 2018 to 12th February 2018)
	Ms. Rajashree Nambiar, Chief Executive Officer and Managing Director (from 12 February 2018)

35.2. Transactions during the year with related parties :

Nature of Transactions	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Reimbursement for expenses incurred on behalf of the Company		
Fullerton Financials Holdings Pte Ltd	-	1
Fullerton Financial Holdings (International) Pte Ltd	24	181
Expenses incurred by the Company on behalf of others		
Fullerton Financial Holdings (International) Pte Ltd	-	1
Issue of Share capital (including securities premium)		
Fullerton Financials Holdings Pte Ltd	15,000	-

Nature of Transactions	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Lease Rental Income		
Fullerton Securities & Wealth Advisors Ltd.	3	1

Remuneration paid to Company's Key Management Personnel	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Short Terms benefits	425	644
Post -employment benefits	14	1,015
Share based payments	180	451
Director's sitting fees	33	33
Director's Commission	44	44

35.3. Amount due to / from related parties:

	(₹ lakhs)	
Balance outstanding as at the year end	31 March 2019	31 March 2018
Other Receivables (Net)		
Fullerton Securities & Wealth Advisors Ltd.	1	-

36. Capital Management

Equity share capital and other equity are considered for the purpose of the Group's capital management. The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through equity, borrowings and operating cash flows generated. The management monitors the return on capital and the board of directors monitors the level of dividends to shareholders of the Company. The Group may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

37. Retirement Benefit Plans**Defined Contribution Plan**

The total expense charged to income of INR 2,830 lakhs (2018: INR 2,107 lakhs) represents contributions payable to these plans by the Group at rates specified in the rules of the plan.

Defined Benefit Obligation

Particulars	As at 31 March 2019 (₹)	As at 31 March 2018 (₹)
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate and expected rate of return on assets for Fullerton India Credit Company Limited	7.22%	7.68%
Discount rate (per annum) for Fullerton India Home Finance Company Limited	6.76%	6.93%
Rate of increase in compensation	10.00%	10.00%
Employee turnover for Fullerton India Credit Company Limited:		
Category 1 – For basic upto ₹ 1.2 lakhs		
Up to 4 years	51.40% p.a	49.90% p.a
5 years and above	2.00% p.a	2.00% p.a
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	27.20% p.a	23.30% p.a
5 years and above	2.00% p.a	2.00% p.a
Employee turnover for Fullerton India Home Finance Company Limited:		
Category 1 – For basic upto ₹ 1.2 lakhs		
Up to 4 years	46.70%	43.50%
5 years and above	2.00%	2.00%
Category 2 – For basic more than ₹ 1.2 lakhs		
Up to 4 years	50.90%	61.30%
5 years and above	2.00%	2.00%
Assets information:		
Insured Managed funds	19,50,89,143	20,18,89,639

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	19,40,66,154	16,39,16,038
Interest expense	1,48,66,986	1,18,31,809
Current service cost	3,49,61,454	3,35,56,389
Past service cost	-	-
Liability Transferred In	21,75,335	24,79,973
Liability Transferred Out	(21,75,335)	(24,79,973)
Benefit Paid From the Fund	(2,41,70,673)	(1,33,16,287)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(41,69,867)	(42,69,457)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1,91,82,232	(1,51,01,196)

Actuarial (Gains)/Losses on Obligations - Due to Experience adjustments	3,23,14,359	1,74,48,858
Present Value of obligation at the end of the year	26,70,50,645	19,40,66,154

Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	20,18,89,639	17,22,31,893
Interest income	1,55,05,124	1,24,35,143
Contributions by the Employer	-	3,24,08,837
Mortality charges and taxes	-	-
(Benefit Paid from the Fund)	(2,41,70,673)	(1,33,16,287)
Return on Plan Assets, Excluding Interest Income	18,65,053	(18,69,947)
Fair Value of Plan Assets at the end of the year	19,50,89,143	20,18,89,639
Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	(26,70,50,645)	(19,40,66,154)
Fair Value of Plan Assets at the end of the Period	19,50,89,143	20,18,89,639
Funded Status (Surplus/ (Deficit))	(7,19,61,502)	78,23,485
Net (Liability)/Asset Recognized in the Balance Sheet	(7,19,61,502)	78,23,485

Expenses recognised in the Statement of Profit and Loss		
Particulars	For the year ended 31 March 2019 (₹)	For the year ended 31 March 2018 (₹)
Current Service Cost	3,49,61,454	3,35,56,389
Past service cost	-	-
Net interest (income)/ expense	(6,38,138)	(6,03,334)
Net gratuity expense recognised	3,43,23,316	3,29,53,055
Included in note 30 'Employee benefits expense'		

Expenses recognised in the Statement of Other comprehensive income (OCI)		
Particulars	For the year ended 31 March 2019 (₹)	For the year ended 31 March 2018 (₹)
Actuarial gain/ loss on post-employment benefit obligation	4,54,61,671	(51,848)
Total re-measurement cost / (credit) for the year recognised in OCI	4,54,61,671	(51,848)

Reconciliation of Net asset / (liability) recognised:		
Particulars	As at March 2019 (₹ lakhs)	As at March 2018 (₹ lakhs)
Opening Net Liability	(78,23,485)	(83,15,855)
Expenses recognised at the end of period	3,43,23,316	3,29,53,055
Amount recognised in other comprehensive income	4,54,61,671	(51,848)
Net Liability/(Asset) Transfer In	21,75,335	24,79,973
Net (Liability)/Asset Transfer Out	(21,75,335)	(24,79,973)
Employer's Contribution	-	(3,24,08,837)
Net Liability/(Asset) Recognized in the Balance Sheet	7,19,61,502	(78,23,485)

Sensitivity Analysis:

Particulars	For the year ended 31 March 2019 (₹)		For the year ended 31 March 2018 (₹)	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	4,98,56,219	(4,03,90,646)	3,56,79,942	(2,89,72,929)
Future Salary Growth (1% movement)	(3,97,90,177)	4,79,68,545	(2,86,53,026)	3,44,94,511
Rate of Employee Turnover (1% movement)	1,38,92,113	(1,19,15,227)	86,74,437	(74,81,716)

“The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.”

Maturity analysis of projected benefit obligation

Year	As at March 2019	As at March 2018
1	34,97,664	37,92,171
2	37,96,958	28,99,521
3	45,62,534	32,93,395
4	50,08,330	38,64,058
5	57,66,381	42,58,921
Sum of Years 6 to 10	4,01,51,511	2,79,95,274

Risks associated with Defined Benefit Plan:

(i) Interest Rate Risk

A fall in the discount rate which is linked to the government security rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the fair value of the assets depending on the duration of asset.

(ii) Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(iii) Investment Risk

The Group has invested its funds in group employee benefit plan of Bajaj Allianz where the investment comprises of government securities, corporate bonds/debentures, money market instruments and equity securities. Accordingly, the Group is exposed to related risks based on its exposure to such financial instruments as at reporting date.

(iv) Asset Liability Matching (ALM) Risk

The plan faces the ALM risk as to the matching cash flow. Since the gratuity plan is invested in lines with Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(v) Mortality Risk

Since the benefits under the plan are not payable for life time and are payable till retirement age only, the plan does not have any longevity risk.

(vi) Concentration Risk

The plan has a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

Composition of the fair value of planned assets as at 31 March 2019, includes government securities 58%, money market instruments and fixed deposits 18% and equity securities 24%.

During the year, there were no plan amendments, curtailments and settlements.

38. Employee stock appreciation rights

The Group has a cash settled share based payment scheme, under which grants were made as per details provided below:

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	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 6A	
Date of Grant	30-Nov-11	01-Apr-13	01-Apr-13	01-Apr-14	01-Apr-15	01-Apr-16	01-Apr-17	01-Apr-18	01-Apr-17	
Value of the Grant	₹ 568 Lakhs	₹ 706 Lakhs	₹ 741 Lakhs	₹ 750 Lakhs	₹ 800 Lakhs	₹ 935 Lakhs	₹ 960 Lakhs	₹ 922 Lakhs	₹ 1,541 Lakhs	
Performance Condition	Achievement of Profit before tax (PBT) and Return on Equity (ROE) targets						Achievement	Achievement	Achievement of specific targets	
	as per approved plan						PAT & ROE targets	PAT & ROE targets		
	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 6A	
Date of Grant	30-Nov-11	01-Apr-13	01-Apr-13	01-Apr-14	01-Apr-15	01-Apr-16	01-Apr-17	01-Apr-18	01-Apr-17	
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on 1st December 2013	Tranche I: 33% vesting on 1st December 2015	Tranche I: 33% vesting on 1st December 2016	Tranche I: 33% vesting on 1st December 2017	Tranche I: 33% vesting on 1st December 2018	Tranche I: 33% vesting on 1st December 2019	Tranche I: 33% vesting on 1st December 2020	Tranche I: 33% vesting on 1st December 2021	Tranche I: 50% vesting on 1st December 2020	
	Tranche II: 33% vesting on 1st December 2014	Tranche II: 33% vesting on 1st December 2016	Tranche II: 33% vesting on 1st December 2017	Tranche II: 33% vesting on 1st December 2018	Tranche II: 33% vesting on 1st December 2019	Tranche II: 33% vesting on 1st December 2020	Tranche II: 33% vesting on 1st December 2021	Tranche II: 33% vesting on 1st December 2022	Tranche II: 50% vesting on 1st December 2021	
	Tranche III: 34% vesting on 1st December 2015	Tranche III: 34% vesting on 1st December 2017	Tranche III: 34% vesting on 1st December 2018	Tranche III: 34% vesting on 1st December 2019	Tranche III: 34% vesting on 1st December 2020	Tranche III: 34% vesting on 1st December 2021	Tranche III: 34% vesting on 1st December 2022	Tranche III: 34% vesting on 1st December 2023	-	
Vesting period (including performance period)	Tranche I: 2 years	Tranche I: 2 years 8 months	Tranche I: 3 years 8 months							
	Tranche II: 3 years	Tranche II: 3 years 8 months	Tranche II: 4 years 8 months							
	Tranche III: 4 years	Tranche III: 4 years 8 months	Tranche III: 5 years 8 months	-						
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of last vesting except for Grant 1 & 6A where period is 3 years									
Method of Settlement	Cash Payout as per terms of the scheme									

The estimated fair value of the grant at a notional value of ₹ 10 per unit (as at the date of grant) is as below:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 6A
As at 31 March 2019	NA	30.00	30.00	25.84	20.88	16.18	14.47	12.70	14.47
As at 31 March 2018	32.35	23.20	23.20	19.76	15.96	12.54	11.39	NA	11.39

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As at 31 March 2017	27.56	19.97	19.97	17.01	13.74	10.89	NA	NA	NA
As at 31 March 2016	24.97	18.22	18.22	15.52	12.54	NA	NA	NA	NA
As at 31 March 2015	19.49	14.53	14.53	12.38	NA	NA	NA	NA	NA
As at 31 March 2014	15.36	11.74	11.74	NA	NA	NA	NA	NA	NA
As at 31 March 2013	12.78	NA	NA	NA	NA	NA	NA	NA	NA
As at 31 March 2012	10.42	NA	NA	NA	NA	NA	NA	NA	NA
Exercise price vest 1	12.78	14.53	18.22	17.01	15.96	NA	NA	NA	NA
Exercise price vest 2	15.36	18.22	19.97	19.76	NA	NA	NA	NA	NA
Exercise price vest 3	19.49	19.97	23.20	NA	NA	NA	NA	NA	NA

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the business and board approved business plans.

The movement of the stock appreciation rights during the year is as under:

Particulars (No. of Options)	31-Mar-19	31-Mar-18
Options outstanding as at the beginning of the year	3,10,87,325	2,57,40,500
Options granted during the year	92,20,000	2,50,10,000
Options forfeited on resignation of employees	(1,06,03,055)	(1,25,60,600)
Options exercised during the year	(23,51,075)	(40,50,075)
Options lapsed during the year	(4,84,995)	(30,52,500)
Grants of employee transferred during the year to subsidiary company	-	-
Options Outstanding as at the end of the year	2,56,74,350	2,98,80,925
Options vested and exercisable	11,93,850	12,06,400
Expense recognised (₹ in Lakhs)	1,116	535

39. Segment Information

Business Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Group as one segment of "Financing". Thus, as defined in Ind AS 108 "Operating Segments", the Group's entire business falls under this one operational segment.

Entity wide disclosures

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the company's total revenue in year ended 31 March 2019 or 31 March 2018. The Group operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

40. Contingent Liability and commitments

a) Contingent liabilities:

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Group has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account.

Description of the Liability	As at 31 March 2019	As at 31 March 2018
	₹ lakhs	₹ lakhs
Credit enhancement provided by the Group for the loans under securitisation arrangements (including cash collaterals and interest subordination)	-	289
Description of the Liability	As at 31 March 2019	As at 31 March 2018
	₹ lakhs	₹ lakhs
Contingent liability for litigations pending against the Group	20	20

b) Capital and other commitments

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2019 is ₹ 1,217 Lakhs (31 March 2018: ₹ 1,074 Lakhs).
- (ii) Loans sanctioned not yet disbursed as at 31 March 2019 were ₹ 53,279 Lakhs (31 March 2018: ₹ 10,801;).

- c) The Group's pending litigations comprise of claims against the Group by the customers and proceedings pending with other authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

There has been a Supreme Court (SC) Judgment dated 28th February, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the judgment including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.

41. Leases**a) Where the Company is the lessee:**

Premises are obtained on operating lease. The lease term ranges from 11 months to 180 months and are renewable/cancellable at the option of the Group. Certain lease agreements contain clause for escalation of lease payments. There are no restrictions imposed by lease arrangements. Lease payments during the year are charged to the Statement of Profit and Loss.

The following table sets forth, for the periods indicated, the details of future rentals payable on operating leases.

Particulars	(₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Operating lease payments recognized during the year	4,743	4,038
Minimum lease obligations		
Not later than one year	4,686	3,696
Later than one year and not later than five years	12,182	9,724
Later than five years	3,677	3,382

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b) **Where the Company is the lessor:**

The Group has entered into operating lease arrangement for servers which form part of the tangible assets. This lease has a non-cancellable arrangement of 3 years. This lease contains a clause to enable upward revision of the rental charges on an annual basis according to prevailing market conditions.

The following table sets forth, for the periods indicated, the details of future rentals receivable on operating leases where company is a lessor:

Particulars	(₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Operating lease rental recognized during the year	25	35
Minimum lease obligations		
Not later than one year	-	4
Later than one year and not later than five years	-	7
Later than five years	-	-

42. Micro and Small Enterprises

The Group identifies suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) by obtaining confirmations from all suppliers. Based on the information received by the Group, some of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below:

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	52	93
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro small and Medium Enterprise Development Act, 2006.	-	-

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43. CSR Expenses

Gross amount required to be spent by the Group is Rs. 875 lakhs for the year ended 31 March 2019 and Rs. 708 lakhs for 31st March 2018. The details of amounts spent towards CSR are as under:

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
i) Construction / acquisition of any asset		
ii) On purpose other than (i) above		
Amount spent in cash	876	606

The Group CSR policy is both community and environment- based. Various programmes are planned in areas as diverse as health, educations, livelihood generations, skill developments and rural development.

44. Events after reporting date

There have been no events after the reporting date that require adjustment or disclosure in these financial statements.

45. There was no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March, 2019 and preceding previous year.

46. During the year the Group has utilised MAT credit entitlement of Rs. 5,557 lakhs against provision for current tax of ₹ 47,986 lakhs (including adjustment of tax relating to earlier periods).

47. Additional disclosures required by Schedule III of the Act

Name of the entity	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or Loss	
	As % of consolidated net assets	Amount (₹ lakhs)	As % of consolidated profit or loss	Amount (₹ lakhs)
Parent subsidiaries				
Indian				
1) Fullerton India Home Finance Company Limited	14%	49,705	0%	48
2) Fullerton India Foundation for Social and Economic Development	0%	2	0%	-
Total	14%	49,707	0%	48

48. Financial risk management

Risk management framework

The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group places emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Board of Directors (BOD) along with the management are primarily responsible for Financial Risk Management of the Group. The BOD's oversight of risk includes review and approval of key risk strategies and policies. These are monitored and governed through the Risk Oversight Committee (ROC). Audit Committee (AC) ensures that an independent assurance is provided to the BOD.

The ROC controls and manages the inherent risks related to the Group's activities by the following risk categories:

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Risk	Exposure arising from	Management
Credit Risk	Cash and cash equivalents, bank balances other than cash and cash equivalents, trade & other receivables, financial assets measured at amortised cost	<p>ROC is actively involved in the following:</p> <ul style="list-style-type: none"> • Oversight over the implementation of Core Credit Policies and Remedial Management Policies of the Company; • Review of the overall portfolio credit performance of the Company and establishing concentration limits by product programs, collateral types, tenors and customer profile; • Determination of portfolio credit quality by reviewing observed default rates, provisions held, write-offs and status of recoveries from defaulting borrowers; and • Review of product programs and recommending improvements/ amendments thereto.
Liquidity Risk	Financial liabilities	<p>BOD is responsible for setting the strategic direction for the Company. This includes, establishing the liquidity risk appetite and the liquidity required to fulfil its strategic initiatives, setting boundaries/limits within such levels of tolerance and approving the policies that govern risk management under business as usual and stressed conditions.</p> <p>Liquidity risk is managed by the Asset Liability Committee (ALCO), based on the Group's Liquidity Policy and procedures which are based on guidelines provided by ROC. ALCO derives its authority from the ROC and is responsible for ensuring adherence to the liquidity and asset – liability management limits set by the BOD and to oversee implementation of the strategic direction articulated by the BOD. ALCO not only ensures that the Group has adequate liquidity on an on-going basis but also examines how liquidity requirements are likely to evolve under different assumptions.</p>
Market Risk - Foreign Exchange	Recognised financial assets and financial liabilities not denominated in functional currency	<p>ROC is involved in the formulation of policies for monitoring market risk. The risk is managed through close identification, supervision and monitoring of risks arising from movements in market rates such as interest rates, foreign exchange rates, traded prices and credit spreads, which may result in a loss of earnings and capital.</p>
Market Risk - Interest Rate / Dividend Coupon Market Risk - Price	Investments in equity securities, units of mutual funds, bonds, governments securities, certificate of deposits and commercial paper	

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Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter party to the financial instrument fails to meet its contractual obligation, and arises principally from the cash and cash equivalents, bank balance other than cash and cash equivalents, trade & other receivables and financial assets measured at amortised cost.

The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk. The ROC reviews and approves Loan Product programs on an on-going basis. Key aspects of the product programs outline the framework of any credit financial product being offered by the Group. Within this established framework, credit policies are established to manage the sourcing of proposals, channels of business acquisition, process of underwriting, information systems involved, credit appraisal, verification, documentation, disbursement and collection / recovery procedures.

Product level credit risk policies are implemented to align all new customer acquisitions across locations and regions, individual profiles, income levels, leverage positions, collateral types and value, source of income and continuity of employment/business.

The Group has additionally taken the following measures:-

- Credit risk team is appointed to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required.
- Enhanced monitoring of portfolio through periodic reviews.
- Periodic trainings to its credit officers

Credit approval

The Board of Directors has delegated credit approval authority to the Group's Credit Committee, Chief Risk Officer / National Credit Manager, Regional Credit Manager and Credit Manager under the Company's Credit Policy. The branch credit team/operations team monitors compliance with the terms and conditions of credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security by the borrower.

The central operations team verifies adherence to the terms of the credit approval prior to the disbursement of credit facilities.

Credit underwriting

The Group's credit officers evaluate credit proposals on the basis of credit underwriting policies and procedures approved by the management. The criteria typically include factors such as the customer eligibility, income and debt obligation assessment, nature of product, customer scorecards wherever applicable, historical experience, type of collateral provided and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a due diligence process including visits to offices and residences, risk containment agencies for document frauds, legal & valuer agencies for property evaluation.

Analysis of risk concentration

Since the Group provides only retail loans, there is not significant concentration risk at the borrower / counterparty level. The maximum loan outstanding to any individual borrower or counterparty as of 31 March 2019 was ₹ 1929 lakhs, before taking into account collateral or other credit enhancements or undisbursed commitments.

Stress testing of portfolio

The Group evaluates potentially adverse scenarios that may impact the business or portfolio performance. Annual stress test exercise covering the entire portfolio is performed to assess vulnerability of the business

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extreme scenarios to possible extreme scenarios and effectiveness of management actions. The assessed impact is incorporated into risk appetite of the Group to ensure regulatory compliance.

Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, bank balance other than cash and cash equivalents trade and other receivables and financial assets measured at amortised cost.

Particulars	(₹ lakhs)	
	As at March 31, 2019	As at March 31, 2018
Maximum exposure to credit risk	24,76,340	18,04,728

Analysis of inputs to the ECL model under multiple economic scenarios

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows which the Group expects to receive) discounted at an approximation to the EIR.

Cash shortfalls are identified as follows.

- For 12-month ECLs: Cash shortfalls resulting from default events that are possible in the next 12 months.
- For lifetime ECLs: Cash shortfalls resulting from default events that are possible over the expected life of the financial instrument.

For undrawn loan commitments, a cash shortfall is the difference between:

- the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan; and
- the cash flows that the Group expects to receive if the loan is drawn down.

The Group records allowance for expected credit losses for cash and cash equivalents, bank balance, investment, trade and other receivables, loans and advances together with loan commitments and other financial assets measured at amortised cost, collectively named as 'financial assets'.

The Group performs a collective assessment on a homogeneous pool of outstanding loans grouped on the basis of shared risk characteristic based on the type of products sliced down to geography as part of the impairment analysis.

For estimation of ECL, the entire portfolio is broadly partitioned into products like Personal Loans, Business Loan, Commercial Vehicle Loan, Loan against property and Group Loans. Products are further segregated on geography level and sectors. This portfolio is used to arrive exposure at Default, Probability of default and Loss given default.

The Group follows the expected credit loss (ECL) methodology based on historically available information and projection of macroeconomic indicators in order to determine the impairment allowance required against different categories / pool of loan accounts.

All defining parameters (PD, LGD, EL Adjustment factor) are estimated on a half yearly frequency. However, required changes may be done more frequently in case of change in market condition, portfolio changes and other scenarios.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since its initial recognition, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is part of LTECL that represent the ECLs from default events on a financial asset that are possible within the 12 months after the reporting date.

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Definition of Default

As per the Group's policy, all assets are classified into stage 1, stage 2 and stage 3. Assets up to 29 DPD (days past due) are classified as stage 1 assets. Assets with DPD of 30 days up to 89 days are classified as stage 2 assets and assets with DPD greater than 90 days are classified as stage 3 assets. The Group considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

The Group continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Group assesses whether there has been a significant increase in credit risk since initial recognition. The Group considers an exposure to have significantly increased in credit risk since initial recognition when contractual payments are more than 29 days past due. The Group also applies a qualitative method for triggering a significant increase in credit risk for an asset. This will be the case for exposure that meets certain heightened risk criteria, such as political situations and exceptions to normal economic scenarios. Such factors are based on its expert judgment and relevant historical experiences.

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

The Group collects performance and default information about its credit risk exposures analysed by Product and geography. The Group employs statistical models of flow analysis and marginal default rate technique to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest whether due or not.

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due (net of recovery cost) and those that the lender would expect to receive. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. It is usually expressed as a percentage of the EAD.

The Group collects list of all the defaulters and tracked from the first time they become non-performing asset ("Stage 3"). The Group calculates the LGD based on the present value of month on month recovery post default for Stage 1 and 2 and takes into account of the Stage 3 recovery and present value of the actual Stage 3.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

EL Adjustment Factor is factor used to adjust the ECL computation to eliminate the biasness in different ticket size and number of loan accounts considering the nature of business/products.

Forward Looking Information

In its ECL models, the Group relies on a broad range of forward looking information as macro- economic inputs, such as:

- a) Gross Domestic Product growth
- b) Personal Disposable Income growth
- c) Consumer Price Index growth & average
- d) Lending Interest Rate
- e) Gross National Savings

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The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The following pool of macro parameters have been considered for selection for estimated PD.

Gross Domestic Product Growth

Base	Range
Growth in 2019 is 1.01 times of 2018 (7.3% - 7.4%)	Growth in 2019 is 0.91 to 1.12 times of 2018 (6.66% - 8.14%)
Growth in 2018 is 1.10 times of 2017 (6.6% - 7.3%)	Growth in 2018 is 0.99 to 1.21 times of 2017 (6.57% - 8.03%)

Personal Disposable Income Growth

Base	Range
Growth in 2019 is 1.31 times of 2018 (5.4% - 7.1%)	Growth in 2019 is 1.18 to 1.45 times of 2018 (6.39% - 7.81%)
Growth in 2018 is 0.82 times of 2017 (6.6% - 5.4%)	Growth in 2018 is 0.74 to 0.9 times of 2017 (4.86% - 5.94%)

Consumer Price Index (average)

Base	Range
Growth in 2019 is 1.05 times of 2018 (138.7 - 143.4)	Growth in 2019 is 0.93 to 1.14 times of 2018 (129.06 - 157.74)
Growth in 2018 is 1.04 times of 2017 (133.4 - 138.7)	Growth in 2018 is 0.94 to 1.14 times of 2017 (124.89 - 152.64)

Lending interest rate (one year period)

Base	Range
Growth in 2019 is 0.99 times of 2018 (9.5% - 9.4%)	Growth in 2019 is between 0.89 to 1.09 times of year 2018 (8.46% - 10.34%)
Growth in 2018 is 1.0 times of 2017 (9.5% - 9.5%)	Growth in 2018 is between 0.90 to 1.1 times of year 2017 (8.55% - 10.4%)

Consumer Price Index % Growth

Base	Range
Growth in 2019 is 0.84 times of 2018 (4% - 3.3%)	Growth in 2019 is 0.75 to 0.92 times of 2018 (2.97% - 3.63%)
Growth in 2018 is 1.19 times of 2017 (3.3% - 4%)	Growth in 2018 is 1.07 to 1.3 times of 2017 (3.56% - 4.35%)

Gross National Savings Growth

Base	Range
Growth in 2019 is flat compared to 2018 (29.6% - 29.6%)	Growth in 2018 is 0.90 to 1.10 times 2017 (26.64% - 32.56%)

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

Growth in 2018 is 1.08 times of 2017 (27.4% - 29.6%)	Growth in 2018 is 0.97 to 1.19 times 2017 (26.64% - 32.56%)
--	---

Range as defined above is computed in range of 10% upside and downside of the macro parameters.

Reconciliation of ECL balances in given below:

Particulars	As at March 2019 (₹ in lakhs)			As at March 2018 (₹ in lakhs)		
	12 Month ECL	Life time ECL	Total	12 Month ECL	Life time ECL	Total
ECL allowance - opening balance	33,622	18,295	51,917	39,332	25,130	64,462
New assets originated or purchased	29,806	38,496	68,302	28,777	38,407	67,184
Assets derecognised or repaid (excluding write offs)	(824)	(17,018)	(17,842)	(16,707)	(17,266)	(33,973)
Transfers to Stage 1	2,414	(2,414)	-	2,147	(2,147)	-
Transfers to Stage 2	(1,164)	1,164	-	(1,098)	1,098	-
Transfers to Stage 3	(560)	560	-	(605)	605	-
Amounts written off	(17,274)	(13,957)	(31,231)	(1,8226)	(27,528)	(45,756)
ECL allowance - closing balance	46,020	25,126	71,146	33,620	18,297	51,917

Credit Quality

The Group has classified portfolio loans as financial assets at amortized cost and has assessed it at the collective pool level. The vintage analysis methodology has been used to create the PD term structure which incorporates both 12 month (Stage 1 Loans) and lifetime PD (Stage 2 and stage 3 Loans). The vintage analysis captures a vintage default experience across a particular portfolio by tracking the periodic slippages. The vintage slippage experience/default rate is then used to build the PD term structure.

The vintage analysis methodology has been used to create the LGD vintage. The LGD vintage takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the effective interest rate.

Accordingly, the Group analysis exposure to credit risk on the basis of vintage experience across its products. The Group categorizes its loans into Stage 1, Stage 2 and Stage 3 based on vintage experience.

(₹ lakhs)

Particulars	FY 2018-19				FY 2017-18			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	16,78,117	38,538	34,972	17,51,627	10,78,988	49,391	46,844	11,75,223
New assets originated or purchased	10,95,725	(94)	160	10,95,791	10,57,023	(1,544)	(2,137)	10,53,342
Assets derecognised/ repaid/ recovery (excluding write offs)	(3,59,657)	(8,504)	(8,067)	(3,76,228)	(3,84,299)	(8,572)	(7,995)	(4,00,866)
Transfers to Stage 1	10,099	(6,169)	(3,930)	-	6,532	(4,471)	(2,061)	-
Transfers to Stage 2	(41,458)	42,199	(741)	-	(34,995)	35,598	(603)	-
Transfers to Stage 3	(22,885)	(9,537)	32,422	-	(18,575)	(9,305)	27,880	-
Amounts written off	(24,189)	(8,789)	(13,819)	(46,797)	(26,556)	(22,560)	(26,956)	(76,072)
Closing balance	23,35,752	47,644	40,997	24,24,393	16,78,118	38,538	34,972	17,51,627

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

Trade receivables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. Group creates ECL on trade receivable balances in line with board's approved provisioning policy.

Cash and cash equivalents, other bank balance and other financial assets

The Group has a low credit risk in respect of its exposure with financial institutions and other financial assets. Funds are invested after taking into account parameters like safety, liquidity and post-tax returns etc. The Group avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Group's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

The Group holds cash and cash equivalents and other bank balances with banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

While exposure with respect to security deposit and advance given for business purpose is spread across and carry low credit exposure as the Group has possession of rental premises and other with whom the Group has worked with for a number of years.

Write off policy

The Group has laid down explicit policies on loan write-offs to deal with assets which are impaired due to customer's inability to repay the loan beyond a timeline. Unsecured products are written-off at 120 Days Past Due, Commercial Vehicle Loans are written-off in 360 Days Past Due and Loan against Property and home loans is written-off at 720 Days Past Due.

Collateral management and associated risks

The Group holds collateral like Vehicle, residential, commercial land & building against certain of its secured portfolio loans such as Commercial Vehicle Loans, Mortgage loans, Housing loans, Loans against property, Developer funding and Loans against shares.

The Group has a collateral management system to address the risks associated in the mortgage business. Onsite inspections by independent experts are carried out to satisfy that the value of the collateral is sufficient to cover the associated credit risk and that the claim on property is legally enforceable. Credit policy guidelines clearly specify Loan to value (LTV) ratios and ensures a maximum permissible limit on exposure in any collateral backed funding. This takes care of any revaluation or depreciation in value of asset due to unforeseen circumstances.

The Collection team follows up with the customers through field visits as well as through telecommunication for payment of over dues. Collection team is also responsible for initiating legal action including repossession and selling of collaterals. In its normal course of business, the Group does not physically repossess properties in its retail portfolio. For other collaterals the Group liquidates the assets and recovers the amount due against the loan. Negotiations with customers with respect to settlement of loans are also carried out by the authorised personnel from collection team. Any surplus funds are returned to the customers/obligors.

An estimate of the lower of fair value of collateral and other security enhancements held and carrying amounts of the financial assets as at the reporting date is shown below. This excludes the value of collateral and other security enhancements that are determined not to be enforceable (legally or practically) by the Group.

As at March 2019 (₹ lakhs)	Maximum exposure to credit risk	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associated ECLs
Financial Assets							
Cash & cash equivalents	86,192	-	-	-	-	86,192	-
Loans & Advances	2,457,515	153,777	2,607,001	737	2,761,515	(304,000)	71,146

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

(gross)*							
Trade receivables	753	-	-	-	-	753	-
Financial Assets at FVTPL	164,953	-	-	-	-	164,953	-
Other financial asset	3,027	-	-	-	-	3,027	-
Total Financial Asset	2,712,440	153,777	2,607,001	737	2,761,515	(49,075)	71,146

*Include unsecured loans valued ₹ 1,325,008 lakhs

As at March 2018 (₹ lakhs)	Maximum exposure to credit risk	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associated ECLs
Financial Assets							
Cash & cash equivalents	83,475	-	-	-	-	83,475	-
Loans & Advances (gross)*	17,70,143	1,19,908	17,85,208	-	19,05,116	(1,34,972)	51,920
Trade receivables	752	-	-	-	-	752	-
Financial Assets at FVTPL	52,431	-	-	-	-	52,431	-
Other financial asset	2,278	-	-	-	-	2,278	-
Total Financial Asset	19,09,079	1,19,908	17,85,208	-	19,05,116	3,964	51,920

*Include unsecured loans valued ₹ 920,377 lakhs

The value of the collateral for residential & commercial mortgage loans is based on the collateral value at origination. For credit-impaired loans the value of collateral is based on the most recent appraisals.

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets.

Fair value of collateral and credit enhancements held under the base case scenario

(₹ lakhs)

Portfolio Loans	Maximum exposure to credit risk	Commercial Vehicle	Land & building	Total Collateral	Net Exposure	Associated ECLs
As at 31 March 2019	48,876	3,542	54,534	58,076	(9,200)	24,275
As at 31 March 2018	40,741	2,337	56,428	58,765	(18,024)	17,630

Liquidity Risk

Liquidity risk is the risk that the Group, though solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can secure them only at excessive costs. Liquidity risk management involves estimating and managing the liquidity requirements of the Group within acceptable structural boundaries and in a cost-efficient manner, and involves the Board and senior management's development and oversight of a comprehensive process that identifies, measures, monitors and controls the Group's liquidity risk exposure.

The Group maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Group. In terms of actions, the Group's liquidity risk management policy is guided by the following principles:

1. Lender diversification demonstrated by an increase in lenders, across instruments (bank finance, bonds, money market instruments, and sell down of loan portfolio of loan portfolio) and liquidity pools (banks, mutual funds, insurance companies, pension funds, foreign portfolio investors)

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

2. Matching of asset and liability tenor
3. Maintenance of adequate liquidity buffer as per internal policy
4. Structural liquidity mismatch

Tools to manage Liquidity Risk

The Group manages its liquidity risk through liquidity gap analysis, monitoring concentration limits (tenor, counterparty and instrument type) and liquidity ratios.

Projected rolling cash flow for the next 6 months is prepared which provides a gap analysis of expected cash inflow and outflow on a given date. Treasury is responsible to prepare a suitable funding plan based on the cash flow.

Single lender limit, single financial instrument or category limit and negative gap mismatches are monitored on a monthly basis to ensure these are within the policy limits.

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. The Group maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due.

Analysis of financial asset and liabilities by remaining contractual maturities

The tables below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ lakhs)				
31 March 2019	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities				
Trade payables	6,014	-	-	6,014
Borrowings other than debt securities*	5,08,179	7,48,347	12,735	12,69,261
Debt Securities#	2,73,192	9,92,104	1,13,051	13,78,346
Other financial liabilities	99,305	1,807		1,01,112

(₹ lakhs)				
31 March 2018	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities				
Trade payables	5,654	-	-	5,654
Borrowings other than debt securities*	3,30,534	5,24,045	2,303	8,56,882
Debt Securities#	1,93,498	6,83,657	48,600	9,25,755
Other financial liabilities	97,593	1,520	-	99,113

*The interest payments on variable interest rate loans in the table above reflect interest rates at the reporting date and these amount may change as market interest rates change.

Debt Securities includes subordinated liabilities

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

Financing arrangement

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	(₹ Lakhs)	
	31 March 2019	31 March 2018
Expiring within one year	3,43,500	2,36,415
Expiring beyond one year (term loan)	-	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to maintenance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR ₹ and have an average maturity of 1 year (2018: 1 year).

Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Group is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

Currency risk

The Group has insignificant amount of foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables whether caused by factors specific to an individual investment, its issuer and market.

To manage its price risk arising from investments, the Group has invested in the mutual fund after considering the risk and return profile of the mutual funds i.e. the debt profile of the mutual fund indicates that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock.

The Group's exposure to price risk arises from investments in unlisted equity securities, debt securities, units of mutual funds, which are classified as financial assets at Fair Value through Profit and Loss and amounts to as follows:

Particulars	(₹ Lakhs)	
	31 March 2019	31 March 2018
Exposure to price risk	1,64,947	52,431

Sensitivity analysis

The table below sets out the effect on profit or loss due to reasonable possible weakening / strengthening in prices of 5%:

Particulars	Effect on profit or loss	
	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Impact on profit before tax for 5% increase in prices	(1,374)	(437)
Impact on profit before tax for 5% decrease in prices	1,374	437

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

Interest rate risk

The interest rate risk is the vulnerability of the Group's financial condition to adverse movements in market interest rates. It corresponds to the potential effects of interest rate changes on the Group's profitability, in particular net interest income. Exposure to this risk primarily results from timing spread in the re-pricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractual re-pricing (floating rate instruments). The objective of interest rate risk policy is to establish boundaries on interest rate risk exposure for the Group and the governance and monitoring policies for interest rate risk management.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ lakhs)	
	31 March 2019	31 March 2018
Fixed rate borrowings		
Debt Securities	10,49,670	6,85,930
Borrowings	2,23,624	1,59,796
Variable rate borrowings	8,94,093	6,31,542
Total borrowings	21,67,387	14,77,268

The following metrics are employed for measurement of interest rate risks:

- Repricing Gap analysis – measured by calculating gaps over different time intervals as at a given date, and measures mismatches between rate sensitive liabilities and rate sensitive assets (including off-balance sheet positions).
- Sensitivity analysis – interest rate sensitivity is monitored as per interest rate simulations, viz. potential loss due to an adverse movement in interest rates of 100 bps for mismatch up to 1 year.

Sensitivity analysis

Particulars	Effect on profit or loss (₹ lakhs)	
	31 March 2019	31 March 2018
Impact on profit before tax of 100 bps increase in interest rate	(8941)	(6315)
Impact on profit before tax of 100 bps decrease in interest rate	8941	6315

Financial Instrument

a. Classification and Fair Values of Financial Assets & Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at reporting date:

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

(₹ lakhs)

Particulars	31 March 2019		31 March 2018	
	FVTPL	Amortized Cost	FVTPL	Amortised Cost
Financial assets:				
Cash and cash equivalent	-	29,521	-	24,597
Bank balances other than cash and cash equivalent	-	56,671	-	58,878
Trade Receivables	-	753	-	752
Loans and advances to customers	-	23,86,368	-	17,18,223
Investments	1,64,953	-	52,431	-
Other financial assets	-	3,027	-	2,278
Total financial assets	1,64,953	24,76,340	52,431	18,04,728
Financial liabilities:				
Trade payables	-	6,014	-	5,654
Debt securities	-	11,26,909	-	7,52,716
Borrowing other than debt securities	-	10,86,590	-	7,63,597
Other financial liabilities	-	1,01,112	-	99,113
Total financial liabilities	-	23,20,625	-	16,21,080

Fair value of cash and cash equivalents, bank balances other than cash and cash equivalent, trade receivables, loans and advances to customers, other financial assets, trade payables, debt securities, borrowing other than debt securities and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

b. Fair value hierarchy

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Ind AS 107. An explanation of each level follows underneath the table.

The hierarchy used is as follows:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

a) Financial assets at FVTPL at each reporting date

(₹ lakhs)

Particulars	Level 2	
	31 March 2019	31 March 2018
Investments	1,64,953	52,431
Total	1,64,953	52,431

b) Financial assets and liabilities measured at amortized cost at each reporting date

(₹ lakhs)

Particulars	As at 31 March 2019		
	Carrying Value	Fair value	
		Level 2	Level 3
Financial assets measured at amortised cost			
Loans and advances to customers *	24,57,514	-	24,75,676
Other financial assets	3,027	-	3,323
Total	24,60,541	-	24,78,999
Financial liabilities measured at amortised cost			
Debt securities#	11,26,909	-	11,26,199
Borrowing other than debt securities	10,86,590	-	10,86,590
Total	22,13,499	-	22,12,789

(₹ lakhs)

Particulars	As at 31 March 2018		
	Carrying Value	Fair value	
		Level 2	Level 3
Financial assets measured at amortised cost			
Loans and advances to customers *	17,70,143	-	18,29,230
Other financial assets	2,278	-	2,407
Total	17,72,421	-	18,31,637
Financial liabilities measured at amortised cost			
Debt securities#	7,52,716	-	7,56,960
Borrowing other than debt securities	7,63,597	-	7,63,597
Total	15,16,313	-	15,20,557

*Gross value of portfolio loans

Debt Securities includes subordinated liabilities

Fair value of financials assets and financial liabilities at amortized cost (i.e., Loans and advances to customers, Other financial assets, Debt securities, Borrowing other than debt securities) is calculated on pool basis at present values of future cash flows over expected tenure of financial instruments.

Following discounting factor are used for calculation of fair values:

Particulars	Discounting factors
Loans and advances to customers	Average loan boarding rate for respective product for recent four months as at reporting date
Other financial assets, Debt securities, Borrowing other than debt securities	Average cost of funds as at reporting date

Valuation techniques used to determine fair value

Each class of financial assets	Techniques
Government securities	The fair value is determined by applying direct quotes available from the active market for such securities.
Units of mutual funds	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed
Certificate of Deposits	The fair value for such securities is determined by applying benchmark quotes for such securities published by market aggregators on daily basis for relevant maturities.
Equity shares	Discounted cash flow based on present value of the expected future economic benefit and fair value as determined by the management based on MIS review, audited financial statements and information available in public domain

In order to assess Level 3 valuations as per Group's investment policy, the management reviews the performance of the investee companies on a regular basis by tracking their latest available financial statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.

The finance department of the Group includes the team that performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair value. Discussions on valuation processes and results are held between the valuation team and the senior management at least once every six months which is in line with the Group's half yearly reporting periods.

49. Maturity Analysis of Assets and Liabilities

(₹ lakhs)

Assets	Within 12months	After 12months	Total	Within 12months	After 12months	Total
Financial Assets						
Cash and cash equivalents	29,521	-	29,521	24,597	-	24,597
Bank balances other than cash and cash equivalents	56,671	-	56,671	58,878	-	58,878
Trade receivables	753	-	753	752	-	752
Loans and advances	7,71,148	16,15,220	23,86,368	4,99,936	12,18,286	17,18,223
Investments	1,63,477	1,476	1,64,953	52,327	105	52,431
Other financial assets	370	2,657	3,027	768	1,510	2,278
Non-Financial assets						
Current tax assets (net)	2,534	-	2,534	2,368	-	2,368
Deferred tax asset (net)	-	25,589	25,589	-	25,003	25,003
Property, plant and equipment	-	8,176	8,176	-	4,951	4,951
Intangibles assets	-	3,264	3,264	-	2,264	2,264
Intangibles assets under development	138	-	138	349	-	349
Other non-financial assets	-	6,689	6,689	-	4,212	4,212
Total Assets	10,24,612	16,63,071	26,87,683	6,39,975	12,56,331	18,96,306

Fullerton India Credit Company Limited

Notes to the reformatted consolidated financial information

Liabilities	Within 1year	After 1year	Total	Within 1year	After 1year	Total
Financial liabilities						
Trade payables	6,014	-	6,014	5,655	-	5,655
Debt Securities#	1,98,356	9,28,553	11,26,909	90,776	6,61,939	7,52,715
Borrowings	4,28,247	6,58,343	10,86,590	3,01,636	4,61,961	7,63,597
Other financial liabilities	98,529	2,583	1,01,112	97,233	1,880	99,113
Non-Financial liabilities						
Current tax liabilities (net)	1,937	-	1,937	4,155	-	4,155
Provisions	-	759	759	-	39	39
Other non-financial liabilities	6,057	1	6,058	4,699	-	4,699
Equity						
Equity share capital	-	2,01,150	2,01,150	-	1,98,007	1,98,007
Other equity	-	1,57,154	1,57,154	-	68,326	68,326
Total liabilities	7,39,140	19,48,542	26,87,683	5,04,154	13,92,152	18,96,306

Debt Securities includes subordinated liabilities.

50. The Group does not have any outstanding loan against gold jewellery as at 31 March 2019 (Previous year: ₹ Nil).

51. The Group has reclassified/regrouped previous year figures to conform to current year's classification, where applicable.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No:100564

For and on behalf of the Board of Directors
Fullerton India Credit Group Limited

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN: 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 30 September 2019

Place: Mumbai
Date: 30 September 2019

Annexure VII : Statement of dividend paid / proposed and the rate of dividend per share

Particulars	2018-19	2017-18
Dividend paid on equity shares	NIL	NIL
Dividend distribution tax paid on equity shares	NIL	NIL
Dividend per equity share (Rs.)	NIL	NIL

Independent Auditor's Examination Report on Reformatted Standalone Financial Information under Ind AS as at and for the years ended 31 March 2019 and 31 March 2018 in connection with proposed public issue by Fullerton India Credit Company Limited (the "Company") of secured, redeemable, non-convertible debentures of face value of Rs. 1,000 each aggregating upto Rs. 20,000 million (the "NCDs") through one or more tranches (the "Issue")

The Board of Directors
Fullerton India Credit Company Limited
Floor 6, B Wing, Supreme IT Park
Supreme City, Behind Lake Castle
Powai
Mumbai 400 076

30 September 2019

Dear Sirs/Madam,

1. We have examined the Reformatted Standalone Financial Information under Ind AS (defined subsequently) of Fullerton India Credit Company Limited (the "Company"), which comprise of Reformatted Standalone Statement of Assets and Liabilities as at 31 March 2019 and 31 March 2018, and the Reformatted Standalone Statement of Profit and Loss (including Other Comprehensive Income) for the years ended 31 March 2019 and 31 March 2018 and, the Reformatted Standalone Statement of Cash Flows for the years ended 31 March 2019 and 31 March 2018, the Reformatted Standalone Statement of Changes in Equity for the years ended 31 March 2019 and 31 March 2018 and the Summary of Significant Accounting Policies, read together with the annexures and notes thereto (together referred to as "Reformatted Standalone Financial Information under Ind AS") annexed to this report, for the purpose of inclusion in the Draft Shelf Prospectus and/or Shelf Prospectus and/or Tranche Prospectus(es), and any amendments and supplements thereto (collectively the "**Offering Documents**") to be filed by the Company in connection with its proposed public issue by the Company of secured, redeemable, non-convertible debentures of face value of ₹ 1,000 each aggregating upto ₹ 20,000 million (the "NCDs") through one or more tranches (the "Issue"). The Reformatted Standalone Financial Information under Ind AS has been prepared by the Management of the Company on the basis of note B(i) of Annexure V to the Reformatted Standalone Financial Information under Ind AS and approved by the Retail Bond Issuance Committee of the Company (on behalf of the Board of Directors of the Company) on 30 September 2019 by taking into consideration the requirements of:
 - a. section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act"); and
 - b. the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time (the "SEBI Debt Regulations") issued by Securities and Exchange Board of India (the "SEBI").

Management's Responsibility

2. The preparation of Reformatted Standalone Financial Information under Ind AS is the responsibility of the Board of Directors of the Company for the purpose set out in paragraph 1 above. The Reformatted Standalone Financial Information under Ind AS have been prepared by the Management of the Company on the basis of preparation stated in note B(i) of Annexure V to the Reformatted Standalone Financial Information under Ind AS. The Board of Director of the Company's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of Reformatted Standalone Financial Information under Ind AS. The Board of Directors of the Company is also responsible for identifying and ensuring that the Company complies with the requirements of Section 26 of Part I of Chapter III of the Act and the SEBI Debt Regulations.
3. The Reformatted Standalone Financial Information under Ind AS have been extracted by the management from the audited standalone financial statements of the Company as at and for the year ended 31 March 2019, prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the RBI as applicable to NBFCs and other accounting principles generally accepted in India, which were approved by Board of Directors of the Company on 29 May 2019. The comparative information for the year ended 31 March 2018 included in such financial statements have been prepared by making Ind AS adjustments to the audited standalone financial statements of the Company as at and for the year ended 31 March 2018, prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on 18 May 2018 and the Ind As transition adjustments being audited as part of the audit of 31 March 2019 standalone financial statements.

Auditor's Responsibility

4. For the purpose of our examination, we have relied on the Auditor's reports issued by us dated 29 May 2019 on the standalone financial statements of the Company as at and for the year ended 31 March 2019.
5. We have examined the Reformatted Standalone Financial Information under Ind AS taking into consideration:
 - a. the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 01 July, 2019 in connection with the Issue;
 - b. requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013 and the SEBI Debt Regulations;
 - c. concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Standalone Financial Information under Ind AS and
 - d. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). The Guidance Note requires, *inter alia*, that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

Auditor's Responsibility (Continued)

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

6. As stated in our audit report referred to in paragraph 4 above, we conducted our audit of standalone financial statements of the Company for the year ended 31 March 2019 in accordance with the Standards on Auditing specified under Section 143 (10) of the Act and issued by the ICAI, as applicable. Those Standards require we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.
7. The audit report on the standalone financial statements issued by us included the following other matter paragraph:

The opening balance sheet as at 1 April 2017 (transition date) included in these standalone financial statements, is based on the previously issued statutory standalone financial statements of the Company, prepared in accordance with the accounting standards specified under Section 133 of the Act read with relevant rules thereunder, other relevant provisions of the Act and guidelines issued by the RBI as applicable to NBFCs, audited by the predecessor auditor whose report for the year ended 31 March 2017 dated 18 May 2017 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Opinion

8. Based on our examination and in accordance with the requirements of section 26 of Part I of Chapter III of the Act, the SEBI Debt Regulations, the Guidance note and the terms of our engagement agreed with you, we report that:

The Reformatted Standalone Financial Information under Ind AS of the Company as at and for the year ended 31 March 2019 and 31 March 2018 examined by us, are accurately extracted from the audited standalone financial statements of the Company for the year ended 31 March 2019.

9. Based on our examination as above and according to the information and explanations given to us, we further report that:

- a. the Reformatted Standalone Financial Information under Ind AS have to be read in conjunction with the notes given in Annexure V;
 - b. in the preparation and presentation of Reformatted Standalone Financial Information under Ind AS based on audited standalone financial statements as referred to in paragraph 3 and 6 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 4 above and
 - c. At the Company's request, we have also examined the following financial information of the Company set out in the Annexures prepared by management and approved by the Retail Bond Issuance Committee (on behalf of the Board of Directors of the Company) on 30 September 2019, for the years ended ended 31 March 2019 and 31 March 2018 :
 - (i) Statement of capitalisation, as appearing in Annexure VII and
 - (ii) Statement of dividend as appearing in Annexure VIII
10. According to the information and explanations given to us, in our opinion on the Reformatted Standalone Financial Information under Ind AS and above financial information contained in Annexure VII and VIII accompanying this report, read with the significant accounting policies and notes disclosed in Annexure V has been prepared in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act 2013, the SEBI Debt Regulations and the Guidance Note.
11. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restrictions of use

13. This report is intended solely for use of the management for inclusion in the Offering Documents to be filed / registered with Securities and Exchange Board of India, stock exchanges where the NCDs are proposed to be listed and Registrar of Companies, Maharashtra (RoC), as applicable, prepared in connection with the Issue of the Company. Our report should not be used, referred to or distributed for any other purpose without our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Milind Ranade
Partner
Membership No: 100564

UDIN Number: 19100564AAAAFF8666

Reformatted standalone statement of assets and liabilities

	Note	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
ASSETS			
Financial assets			
Cash and cash equivalents	2	20,060	24,249
Bank balances other than cash and cash equivalents	3	51,665	53,521
Investments	4	1,91,675	90,650
Trade receivables	5	690	726
Other financial assets	6	2,506	1,912
Loans and advances	7	20,89,638	15,30,735
		23,56,234	17,01,793
Non financial assets			
Current tax assets	8	2,205	2,335
Deferred tax asset (net)	9	22,717	22,198
Other non-financial assets	10	5,867	3,915
Property, plants and equipment	11	7,166	4,812
Intangible assets	12	3,180	2,254
Intangible assets under development	12	138	349
		41,273	35,863
Total Assets		23,97,507	17,37,656
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade payables	13		
i) total outstanding dues to micro enterprises and small enterprises		52	93
ii) total outstanding dues to creditors other than micro enterprises and small enterprises		5,180	5,109
Debt Securities	14	9,40,740	6,43,828
Borrowings	15	8,85,479	6,68,072
Subordinated Liabilities	14	1,11,181	70,541
Other financial liabilities	16	81,860	68,637
		20,24,492	14,56,280
Non financial liabilities			
Current tax liabilities	17	1,929	4,090
Provisions	18	665	30
Other non-financial liabilities	19	5,234	4,156
		7,828	8,276
Equity			
Equity share capital	20	2,01,150	1,98,007
Other equity	21	1,64,037	75,093
		3,65,187	2,73,100
Total liabilities and equity		23,97,507	17,37,656
Summary of significant accounting policies and accompanying notes which form an integral part of the financial statements	1-55		

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration No.: 101248W/W-100022

Sd/-

Milind Ranade**Partner**

Membership No.: 100564

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-

Rajashree Nambiar**CEO & Managing Director**

DIN : 06932632

Sd/-

Pankaj Malik**Chief Financial Officer**

Place: Mumbai

Date: 30 September 2019

Place: Mumbai

Date: 30 September 2019

Reformatted standalone statement of profit and loss

	Note	Year ended 31 March 2019 (₹ lakhs)	Year ended 31 March 2018 (₹ lakhs)
Revenue from operations			
Interest income	22	3,96,471	2,59,337
Fees and commission income	23	6,384	4,522
Net gain on financial asset at FVTPL	24	4,014	871
Ancillary income	25	5,839	5,020
Total revenue from operations		4,12,708	2,69,750
Other income	26	1,104	1,512
Total Income		4,13,812	2,71,262
Expenses			
Finance costs	27	1,43,882	98,021
Net loss on fair value changes	28	193	24
Impairment on financial instruments	29	51,016	46,938
Employee benefits expense	30	57,714	46,146
Depreciation, amortisation and impairment	11&12	3,559	3,340
Other expenses	31	38,015	24,125
Total expenses		2,94,379	2,18,594
Profit before tax		1,19,433	52,668
Tax expense	32		
Current tax		47,986	13,270
Adjustment of tax relating to earlier periods		-	(1,128)
Deferred tax expense / (credit)		(6,075)	5,563
		41,911	17,705
Net profit after tax		77,522	34,963
Other comprehensive income / (loss)	32(b)		
Items that will not be reclassified to profit or loss			
Re-measurement of gain/loss on defined benefit plans (net of tax)		(435)	(8)
Other comprehensive loss		(435)	(8)
Total comprehensive income for the year		77,087	34,955
Earnings per equity share:	33		
Basic earnings per share (in ₹)		3.88	1.77
Diluted earnings per share (in ₹)		3.88	1.77
Face value per share (in ₹)		10.00	10.00
Summary of significant accounting policies and accompanying notes which form an integral part of the financial statements	1-55		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 30 September 2019

Place: Mumbai
Date: 30 September 2019

Reformatted standalone Statement of Changes in Equity

Annexure-III

A. Equity share capital

Particulars	Number of shares	Amount (₹ lakhs)
Equity share of Rs. 10 each fully paid up as at 1 April 2017	1,98,00,71,519	1,98,007
Changes during the year	-	-
Equity share of Rs. 10 each fully paid up as at 31 March 2018	1,98,00,71,519	1,98,007
Changes during the year	3,14,26,776	3,143
Equity share of Rs. 10 each fully paid up as at 31 March 2019	2,01,14,98,295	2,01,150

B. Other equity

(Amount in ₹ lakhs)

Particulars	Reserves and surplus					Items of OCI	Total
	General Reserve	Capital Reserve	Securities premium	Reserve Fund under Section 45 - IC of the RBI Act, 1934	Retained Earnings	Re-measurement of gain/loss on defined benefit plans (net of tax)	
Opening balance as at 01 April 2017	96	2,869	21,036	26,196	(9,984)	-	40,213
Reversed/ (utilised) for debenture issue costs	-	574	(649)	-	-	-	(75)
Transferred from retained earnings to reserve fund	-	-	-	7,088	(7,088)	-	-
Profit for the year	-	-	-	-	34,963	-	34,963
Other comprehensive income/(loss) for the year	-	-	-	-	-	(8)	(8)
Closing balance as at 31 March 2018	96	3,443	20,387	33,284	17,891	(8)	75,093
Securities Premium on shares issued	-	-	11,857	-	-	-	11,857
Transferred from retained earnings to reserve fund	-	-	-	15,504	(15,504)	-	-
Profit for the year	-	-	-	-	77,522	-	77,522
Other comprehensive income/(loss) for the year	-	-	-	-	-	(435)	(435)
Closing balance as at 31 March 2019	96	3,443	32,244	48,788	79,909	(443)	1,64,037

As per our report of even date attached

1-55

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Milind Ranade
Partner
Membership No.: 100564

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 30 September 2019

Place: Mumbai
Date: 30 September 2019

Reformatted Standalone Statement of cash flow

	Year ended 31 March 2019 (₹ lakhs)	Year ended 31 March 2018 (₹ lakhs)
CASH FLOW FROM OPERATING ACTIVITIES (A)		
Profit before tax	1,19,433	52,668
Adjustments for :		
(Includes amount spent towards Corporate Social Responsibility expense as per Section 135 (5) of the Companies Act, 2013 (Refer Note 43))		
Financial asset measured at amortised cost	(4,994)	(54)
Financial liabilities measured at amortised cost	830	382
Depreciation, amortisation and impairment	3,559	3,339
Interest income on fixed deposits, bond and investments	(9,165)	(7,377)
Profit on sale of property, plant and equipment	(12)	(9)
Net (gain)/loss on financial assets at FVTPL	(4,014)	(844)
Impairment on financial instruments	51,016	38,778
Write off of fixed assets & intangible assets	9	24
Fair valuation of SAR liability	271	16
Amortisation of ancillary borrowing costs	-	463
Operating profit before working capital changes	1,56,933	87,386
Adjustments for working capital:		
- (Increase)/decrease in loans and advances	(5,78,084)	(4,81,479)
- (Increase)/ decrease in other Assets (financial and non financial assets)	(2,570)	(11,690)
- (Increase)/decrease in trade receivables	35	(345)
- Increase/(decrease) in other liabilities (Provision, financial and non financial liabilities)	14,966	44,013
Cash generated from/(used in) operating activities	(4,08,720)	(3,62,115)
Income tax paid (net)	(44,499)	(4,892)
Net cash generated from/(used in) operating activities (A)	(4,53,219)	(3,67,007)
CASH FLOW FROM INVESTING ACTIVITIES (B)		
Purchase of property, plant and equipment and intangibles	(6,866)	(3,148)
Proceeds from sale of property, plant and equipment and intangibles	30	16
Investments in subsidiary company	(15,000)	-
Purchase of investments	(47,43,152)	(11,28,621)
Sale/maturity of investments	46,57,444	12,49,483
Fixed deposit placed	(69,994)	(62,064)
Fixed deposit matured	67,052	61,946
Interest received on fixed deposits and bonds	5,597	6,333
Interest received on investments	5,086	640
Net cash generated from/(used in) investing activities (B)	(99,803)	1,24,585
CASH FLOW FROM FINANCING ACTIVITIES (C)		
Proceeds from issuance of share capital (including share premium)	15,000	-
Proceeds from borrowings from banks and financial institutions	12,00,957	9,19,400
Repayment of borrowings from banks and financial institutions	(6,63,428)	(6,60,203)
Payment of ancillary borrowing costs	(3,696)	(683)
Net cash generated from/(used in) financing activities (C)	5,48,833	2,58,514
Net increase / (decrease) in cash and cash equivalents D=(A+B+C)	(4,189)	16,092
Cash and cash equivalents as at the beginning of the period (E)	24,249	8,157
Closing balance of cash and cash equivalents (D+E)	20,060	24,249
Components of cash and cash equivalents:		
Cash on hand	1,168	834
Balances with banks		
- in current accounts	15,889	13,753
- in fixed deposit with maturity less than 3 months	3,003	9,662
Cash and cash equivalents	20,060	24,249

Note:

The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements. (Refer note 15 (b) for net debt reconciliation)

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

Place: Mumbai
Date: 30 September 2019

For and on behalf of the Board of Directors of
Fullerton India Credit Company Limited

Sd/-
Rajashree Nambiar
CEO & Managing Director
DIN : 06932632

Sd/-
Pankaj Malik
Chief Financial Officer

Place: Mumbai
Date: 30 September 2019

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Annexure-V : Summary of significant accounting policies and notes to the reformatted financial information

A. Company information

Fullerton India Credit Company Limited ('The Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a non-banking financial company ('NBFC') registered as Deposit taking NBFC vide Registration no. A-07-00791 dated 27 May, 2011 with the Reserve Bank of India ('RBI'). Registered address of the Company is Fullerton India Credit Limited, Megha Towers, III Floor, New No 165, Old No 307, Poonamallee High Road, Maduravoyal, Chennai. The Company provides loans to small and medium enterprises for working capital and growth, loans for commercial vehicles, loans against shares, two-wheelers, home improvement loans, loans against property, personal loans, working capital loans for urban salaried, self-employed, loans for rural livelihood advancement and financing of various rural micro enterprises (collectively referred to as "Portfolio Loans").

As at 31 March 2019, Angelica Investments Pte Ltd, the holding company owned 95.76% of the Company's equity share capital.

B. Basis of preparation

i. Statement of compliance

The Reformatted Standalone Financial Statements comprise of the financial statements of Company.

The Reformatted Standalone Statement of Assets and Liabilities of the Company as at 31 March 2019 and 31 March 2018, Reformatted Standalone Statement of Profit and Loss (including comprehensive income), Reformatted Standalone Statement of Changes in Equity and Reformatted Standalone Statement of Cash Flows for the year ended 31 March 2019 and 31 March 2018 and a summary of the significant accounting policies and other explanatory information (together referred as "Reformatted Standalone Financial Information") have been extracted by the Management from the audited standalone financial statements (herein after referred to as financial statements) of the Company as at and for the year ended 31 March 2019, prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act"), other relevant provisions of the Act, guidelines issued by the RBI as applicable to NBFCs and other accounting principles generally accepted in India, which were approved by Board of Directors of the Company on 29 May 2019. The comparative information for the year ended 31 March 2018 included in such financial statements have been prepared by making Ind AS adjustments to the audited standalone financial statements of the Company as at and for the year ended 31 March 2018, prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") which was approved by the Board of directors at their meeting held on 18 May 2018 and the Ind As transition adjustments being audited as part of the audit of 31 March 2019 standalone financial statements.

The Reformatted Standalone Financial Information have been prepared by the Management in connection with the proposed issue by the Company of secured redeemable non-convertible debentures face value Rs. 1000 each aggregating upto Rs. 20,000 million (the NCDs) through one or more tranches (the Issue), in accordance with the requirements of Section 26 of Part I of Chapter III of the Act and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by the Securities and Exchange Board of India ("SEBI").

Financial statements for the year ended 31 March 2019 are the first IND AS financial statements of the Group prepared in accordance with IND AS. IND AS 101, First-time Adoption of Indian Accounting Standards has been applied. Refer note 34 for an explanation of how the transition from Previous GAAP to IND AS has affected the Group previously reported financial position, financial performance and cash flows.

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

The financial statements are prepared on going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

ii. Presentation of financial statements

The balance sheet, the statement of profit and loss and the statement of changes in equity are presented in the format prescribed in the Schedule III vide their Notification G.S.R. 1022 (E) dated 11 October 2018 for Non-Banking Financial Companies in Division III to the Act. The statement of cash flow has been presented as per the requirements of Ind AS 7 "Statement of Cash Flows"

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 51.

iii. Functional and presentation currency

Indian rupees is the Company's functional currency and the currency of the primary economic environment in which the Company operates. Accordingly, the management has determined that financial statements are presented in Indian Rupees. All amounts have been rounded off to the nearest lakhs unless otherwise indicated.

iv. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial instruments (as explained in the accounting policies below)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations
Liabilities for cash settled share based payments	Fair value

v. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, assumptions and exercise judgments in applying the accounting policies that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amounts of income and expenses during the year.

The Management believes that these estimates are prudent and reasonable and are based upon the Management's best knowledge of current events and actions. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known or materialized.

Assumptions and estimation uncertainties

Information about critical judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 is included in the following notes of the policy:

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Note 1.C.9 – Impairment test of non-financial assets: key assumptions underlying recoverable amounts including the recoverability of expenditure on intangible assets;

Note 1.C.7 – recognition of deferred tax assets

Note 1.C.10 – measurement of defined benefit obligation: key actuarial assumptions;

Note 1.C.2 – financial instruments – Fair values, risk management and impairment of financial assets

Note 1.C.10 – cash settled - share based payments

Note 1.C.8 – estimates of useful lives and residual value of property, plant and equipment and intangible assets

Note 1.C.11 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources, if any

vi. Measurement of fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Measurement of fair value includes determining appropriate valuation techniques.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

Valuation models that employ significant unobservable inputs require a higher degree of judgment and estimation in the determination of fair value. Judgment and estimation are usually required for selection of the appropriate valuation methodology, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

The management regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred

Further information about the assumptions made in measuring fair values is included in the following notes to accounts:

Note 50 - Financial instruments - Fair values and risk management

Note 38 - Cash settled share based payments

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

C. Summary of significant accounting policies

1. Revenue Recognition

Interest income

The Company calculates interest income by using the effective interest rate (EIR) method.

The effective interest rate method

Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial instrument.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, commission, fees and costs incremental and directly attributable to the specific lending arrangement.

The Company recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial asset. The future cash flows are estimated taking into account all the contractual terms of the asset. If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet. The adjustment is subsequently amortized through Interest income in the statement of profit and loss.

When a financial asset becomes credit-impaired subsequent to initial recognition, the Company calculates interest income by applying the effective interest rate to the amortised cost (net of provision) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Interest income on financial assets classified as FVTPL is recognized at contractual interest rate of financial instruments.

Penal/additional interest on default in payment of dues by customer is recognized on realization basis.

Fee income

Loan processing fee/document fees/stamp fees which are integral part of financials assets are recognized through effective interest rate over the term of the loan. For the agreements foreclosed or transferred through assignment, the unamortized portion of the fee is recognized as income to the Statement of profit and loss at the time of such foreclosure/transfer through assignment. Applications fee is recognized at the commencement of the contracts. Additional charges such as penal, dishonor, foreclosure charges, delayed payment charges etc. are recognized on realization basis.

Dividend income

Dividend income is recognized as and when the right to receive payment is established.

Net gain from financial instruments at FVTPL

The realised gain from financial instruments at FVTPL represents the difference between the carrying amount of a financial instrument at the beginning of the reporting period, or the transaction price if it was purchased in the current reporting period, and its settlement price.

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

The unrealised gain represents the difference between the carrying amount of a financial instrument at the beginning of the period, or the transaction price if it was purchased in the current reporting period, and its carrying amount at the end of the reporting period.

Rendering of services

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115 to determine when to recognize revenue and at what amount.

Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

If the consideration promised in a contract includes a variable amount, an entity estimates the amount of consideration to which it will be entitled in exchange for rendering the promised services to a customer. An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, or other similar items. The promised consideration can also vary if an entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

Commission income

Commission income earned for the services rendered are recognized on accrual basis, while rate conversion charges are recognized upfront based on event occurrence.

2. Financial instruments

• **Recognition and initial measurement**

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially recognised at fair value on trade date basis. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability. Transaction costs of financial instrument carried at fair value through profit or loss are expensed in profit or loss.

• **Classification and subsequent measurement**

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

Financial assets

The company subsequently classifies its financial assets in the following measurement categories:

- amortised cost;
- fair value through profit or loss
- fair value through other comprehensive income

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost using Effective Interest Rate (EIR) method if it meets both of the following conditions:

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- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made an investment – by – investment basis.

All financials assets not classified and measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate the financials assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL, if doing so eliminates or significantly reduces the accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are payments of principal) Amount 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable interest rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI.

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A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on de-recognition is recognised in the statement of profit or loss.
Financial assets (other than Equity Investments) at FVOCI	Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments that are issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received.

Financial liabilities are subsequently measured at the amortised cost using the effective interest method, unless at initial recognition, they are classified as fair value through profit and loss. Interest expense and foreign exchange gains and losses are recognised in the Statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit or loss.

- **Reclassification**

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that

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results in reclassifying the Company's financial assets. Changes in contractual cash flows are considered under the accounting policy on modification and derecognition of financial assets described below.

- **De-recognition, modification and transfer**

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Profit/premium arising at the time of assignment of portfolio loans, is recognized as an upfront gain/loss. Interest on retained portion of assigned portfolio is recognized basis Effective Interest Rate. Service fee received is accounted for based on the terms of underlying deal structure of transaction.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised as profit or loss.

- **Offsetting of financial instruments**

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

- **Impairment and write off**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets at amortized cost along with related undrawn commitments and loans sanctioned but not disbursed.

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Undrawn loan commitments are commitments under which, over the duration of the commitment, the Company is required to provide a loan with pre-specified terms to the customer. Commitment starts from the date of the sanction letter till the amount is fully drawn down by the customer.

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. For recognition of impairment loss on financial assets, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive) discounted at an approximation to the EIR.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The Company measures ECL on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss.

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

• **Collateral valuation and repossession**

To mitigate the credit risk on financial assets, the Company seeks to use collateral, where possible as per the Board approved Credit Policy. The Company provides fully secured, partially secured and unsecured loans to customers. The parameters relating to acceptability and valuation of each type of collateral is a part of the Credit Policy of the Company.

In its normal course of business, the Company does not physically repossess properties in its retail portfolio. For other collaterals, the Company liquidates the assets and recovers the amount due against the loan. Any surplus funds are returned to the customers/obligors.

3. Cash and cash equivalents

Cash and cash equivalents for the purpose of the cash flow statement comprise of the cash on hand, call deposits and other short term, highly liquid securities with an original maturity of three months or less that

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are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

4. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the asset or assets, even if the right is not explicitly specified in an arrangement.

Operating lease

Leases where the lessor effectively retains substantially all risks and benefits incidental to ownership of the asset are classified as Operating lease.

Company as a lessee

Operating lease payments (net of any incentive received from the lessor) are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost.

Company as a lessor

Rental income from operating lease is recognised on a straight line basis over the lease term unless the same is in line with general inflation to compensate for the expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease is recognised over the lease term on the same basis as rental income.

5. Borrowing costs

Borrowing cost is calculated using effective interest rate on the amortised cost of the instrument. EIR includes interest and amortization of ancillary cost incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

6. Foreign currency

Transactions in foreign currency are recorded at exchange rate prevailing on the date of transaction. Exchange differences, if any, arising out of foreign exchange transactions settled during the period are recognised in the Statement of Profit and Loss. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gain or loss arising on restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. All resulting exchange differences are recognised in other comprehensive income.

7. Income taxes

Income tax expense comprises current tax expenses, net change in the deferred tax assets or liabilities during the year and any adjustment to the tax payable or receivable in respect of previous years. Current and deferred taxes are recognised in the Statement of profit and loss, except when they relate to business combinations or to an item that are recognised in Other comprehensive income or directly in Equity, in which case, the current and deferred tax are also recognised in Other comprehensive income or directly in Equity respectively.

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Current Income taxes

The current income tax includes income taxes payable by the Company computed in accordance with the tax laws applicable in the jurisdiction in which the Company generate taxable income and does not include any adjustment to the tax payable or receivable in respect of previous years.

The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred income taxes

Deferred income tax is recognised using Balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of an assets and liabilities and their carrying amount.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be reversed or settled. Deferred tax asset are recognised to the extent that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable sufficient taxable profit will be available to allow part of deferred income tax assets to be utilised. At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset deferred tax assets and liabilities.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India which is likely to give future economic benefit in the form of availability of setoff against future income tax liability. Accordingly, MAT is recognised as deferred tax assets in the Balance sheet when the assets can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Goods and services tax input credit

Goods and services tax input credit is recognised in the books of account in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits.

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

- When the tax incurred on a purchase of assets or receipt of services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included

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The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

8. Property plant and equipment (including Capital Work-in-Progress) and Intangible assets

Recognition and measurement

Property, plant and equipment and intangible assets are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price (after deducting trade discounts and rebates) including import duties and non-refundable taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Any gain or loss arising from disposal of an item of property, plant and equipment and intangible assets is recognised as profit or loss respectively.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

Depreciation/Amortisation

Depreciation on Property, plant and equipment is provided on straight-line basis as per the estimated useful life of the assets as determined by the management, which is in line with Schedule II of the Companies Act, 2013 except for certain assets as stated below.

	Useful life estimated by the Company (in years)	Useful life as per Schedule II (in years)
Computer Server and Other Accessories *	4	6
Computer Desktop and Laptops *	3	3
Furniture and Fixtures *	5	10
Office Equipments *	5	5
Handheld devices *	2	5
Vehicles *	4	8

* Useful life of the assets has been assessed based on internal assessment, 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.

Depreciation/Amortization method, useful life and residual value are reviewed at each financial year end and adjusted if required. Depreciation/Amortization on addition/disposable is provided on a pro-rata basis i.e from/upto the date on which asset is ready to use /disposed off.

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Leasehold improvements are amortized over the period of the lease subject to a maximum lease period of 66 months.

Intangible assets are amortized using the straight line method over a period of five years commencing from the date on which such asset is first installed.

9. Impairment on Non Financials Assets

The carrying amount of the non-financial assets other than deferred tax are reviewed at each Balance Sheet date if there is any indication of impairment based on internal /external factors. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. The recoverable amount of the assets/ Cash generating unit is estimated as the higher of net selling price and its value in use. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

The Company reviews at each reporting date, whether there is any indication that the loss has decreased or no longer exists. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortisation if there were no impairment.

10. Employee Benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined Contribution Plans

Contributions to defined contribution schemes includes employees' state insurance, superannuation scheme, employee pension scheme. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into an account with a separate entity and has no legal or constructive obligation to pay further amounts. The Company makes specified periodic contributions to the credit of the employees' account with the Employees' Provident Fund Organisation. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees..

Defined Benefit Plans

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future

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refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense /income on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability/asset, taking into account any changes in the net defined benefit liability /asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit or Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Statement of Profit or Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits, which do not fall due wholly within 12 months after the end of the period in which the employees render the related services, is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an independent actuarial valuation using the projected unit credit method.

Phantom Plan (Stock Appreciation Rights)

For cash-settled share based payments, the fair value of the amount payable to employees is recognised as 'employee benefit expenses' with a corresponding increase in liabilities, over the vesting period on straight line basis. The liability is re-measured at each reporting period up to, and including the settlement date, with changes in fair value recognised in employee benefits expenses. Refer Note 38 for details.

11. Provisions (other than for employee benefits), contingent liabilities, contingent assets and commitments

A provision is recognized when an enterprise has a present legal or constructive obligation as a result of past event 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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements. However, it is disclosed only when an inflow of economic benefits is highly probable.

The Company operates in a regulatory and legal environment that, by nature, has inherent litigation risk to its operations and in the ordinary course of the Company's business. Given the subjectivity and uncertainty of

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determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

Commitments include the amount of purchase order (net of advances) issued to the counterparties for supplying/development of asset and amount of undisbursed portfolio loans.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

12. Earnings per share

Basic earnings per share are computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing profit after tax (excluding other comprehensive income) attributable to the equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on 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 profit per share.

13. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM's function is to allocate the resources of the Company and assess the performance of the operating segments of the Company.

14. Dividend on equity shares

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders except in case of interim dividend. A corresponding amount is recognized directly in equity.

D Recent accounting developments

Standards issued but not yet effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on March 30, 2019 as part of the Companies (Ind AS) Amendment Rules, 2019) which are effective for the annual period beginning from April 01, 2019. The Company intends to adopt these standards and amendments from the effective date.

Ind AS 116 – Leases:

Ind AS 116 is applicable for financial reporting periods beginning on or after April 01, 2019 and replaces existing lease accounting guidance, namely Ind AS 17 Leases. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e. rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company plans to apply Ind AS 116 on April 01, 2019, using the prospective approach. Therefore, the ROU asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial

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application. The Company is in the process of analyzing the impact of new lease standard on its financial statements.

Amendments to existing Ind AS:

The following amended standards are not expected to have a significant impact on the Company's financial statements. This assessment is based on currently available information and is subject to changes arising from further reasonable and supportable information being made available to the Company when it adopts the respective amended standards.

I. Amendment to Ind AS 12 Income Taxes:

Income tax consequences of distribution of profits (i.e dividends), including payments on financial instruments classified as equity, should be recognized when a liability to pay dividend is recognised.

The income tax consequences should be recognised in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognized.

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatments that are yet to be accepted by tax authorities and to reflect it in the measurement of current and deferred taxes.

II. Amendments to Ind AS 109 Financial Instruments:

A financial asset would be classified and measured at amortised cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principle and interest on the principle amount outstanding (SPPI criterion).

An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

- Have a prepayment feature which results in a negative compensation.
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and
- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available.

Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

III. Amendments to Ind AS 19 Employee Benefits

When a defined benefit plan is amended, curtailed or settled, entities would be required to use updated actuarial assumptions to determine its current service cost and net interest for the remainder of the annual reporting period (post the plan amendment, curtailment or settlement).

The effect of the asset ceiling would not be considered while calculating the gain or loss on any settlement of the plan. Subsequently, it would be recognised in other comprehensive income.

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

IV. Amendments to Ind AS 23 Borrowing costs

Borrowing cost eligible for capitalization:

- Clarification that in computing the capitalization rate for funds borrowed generally, the Company should exclude borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs related to specific borrowings that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing cost of the Company.

- Transitional provision: The Company applying Ind AS 23 should apply the amendments to the borrowing costs incurred on or after the date the Company first applies the amendments.

The amendments that are not yet effective made to the following existing standards, does not have any impact on the Company's financial statements:

- Ind AS 28 Investments in associates and joint ventures
- Ind AS 103 Business Combinations and
- Ind AS 111 Joint arrangements

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Annexure VI: Notes to the reformatted standalone financial information

2. Cash and cash equivalents

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Cash on hand	1,168	834
Balances with banks *		
- in current accounts	15,889	13,753
- in deposit with maturity less than 3 months	3,003	9,662
Total	20,060	24,249

3. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Deposit with maturity of more than 3 months but less than 12 months	26,355	8,218
Deposit with maturity of more than 12 months*	25,310	45,303
Total	51,665	53,521

*In respect of balance with Scheduled banks in Deposits, ₹ Nil (31 March 2018: 247 lakhs) pertain to collateral deposit kept with banks as credit enhancements pertaining to securitizations.

4. Investments

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Measured at fair value through profit and loss		
Unquoted: Equity instruments		
50,000 (31 March 2018: 50,000) equity shares of ₹ 10 each fully paid-up in Alpha Micro Finance Consultants Private Limited	5	5
8,397 (31 March 2018: 8,397) equity shares of ₹ 10 each fully paid-up in Digilend Analytics and Technology Pvt. Ltd.	-	100
Quoted: Government securities and T-bills		
32,500,000 (31 March 2018: Nil) units 0% ₹ GOI TB 2019/414	32,489	-
2,500,000 (31 March 2018: Nil) units 0% ₹ GOI TB 2019/414	2,499	-
12,500,000 (31 March 2018: Nil) units 0% ₹ GOI TB 2019/414	12,496	-
1,000,000 (31 March 2018: Nil) units 7.17 % 2028/413 G Sec	980	-
500,000 (31 March 2018: Nil) units 7.17 % 2028/413 G Sec	490	-
Unquoted: Certificate of deposits		
17,500 (31 March 2018: 5,000) units of ₹100,000 each of Axis Bank Limited	16,491	4,663
15,000 (31 March 2018: 5,000) units of ₹100,000 each of ICICI Bank Limited	14,207	4,881

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
20,000 (31 March 2018: Nil) unit of ₹100,000 each of Kotak Mahindra Bank Ltd	19,207	-
20,000 (31 March 2018: 10,000) units of ₹100,000 each of Indus Ind Bank Limited	18,840	9,560
10,000 (31 March 2018: Nil) units of ₹100,000 each of IDFC Bank Limited	9,490	-
7,000 (31 March 2018: Nil) units of ₹100,000 each of Federal Bank Limited	6,520	-
Nil (31 March 2018: 15,000) units of ₹ 100,000 each of HDFC Bank	-	14,070
Unquoted: Commercial Papers		
Nil (31 March 2018: 3,000) units of Rs 500,000 each of Housing Development Finance Corporation Ltd.	-	14,410
Others*		
245,356,916 (31 March 2018: 195,273,443) equity shares of ₹ 10 each fully paid-up in Fullerton India Home Finance Company Limited	57,961	42,961
Total	191,675	90,650

* The Company has elected option to fair value investment in subsidiary at fair value on transition date. This fair value has been considered as deemed cost subsequently. (Refer note 34 (A)(i))

5. Trade receivables

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Receivables considered good – Secured	-	-
Receivables considered good – Unsecured	690	726
Less: Provision for impairment	-	-
Total	690	726

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Also, no trade or other receivables are due from firms or private companies in which any director is a partner, a director or a member respectively.

6. Other financial assets

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Security Deposits	1,738	1,499
Less- Impairment allowance	(111)	(86)
Interest Accrued on Investment	568	184
Others	311	315
Total	2,506	1,912

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

7. Loans and advances

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Loans carried at amortized cost		
(i) Loans repayable on Demand	-	-
(ii) Portfolio Loans*	2,156,206	1,579,328
Total Gross	2,156,206	1,579,328
Less- Impairment allowance	(66,568)	(48,593)
Total Net	2,089,638	1,530,735
(i) Secured by tangible assets	831,198	658,951
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government Guarantees	-	-
(iv) Unsecured	1,325,008	920,377
Total (B)-Gross	2,156,206	1,579,328
Less: Impairment loss allowance	(66,568)	(48,593)
Total (B)-Net	2,089,638	1,530,735

* All the loans are disbursed in India and there are no loans issued to public sector.

8. Current tax

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Advance tax (net of provision)	2,205	2,335
Total	2,205	2,335

Advance tax (net of provision) of ₹ 2,335 lakhs FY 2018 has been reclassified from Provision for tax (net of advance tax).

9. Deferred tax (Net)

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Deferred tax asset arising on account of :		
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	643	132
Timing difference between book depreciation and Income Tax Act, 1961	1,740	1,779
MTM on Investments	67	(1)
Provision for expected credit loss on financial assets	20,015	15,759
Provision for security deposits	39	30
Processing fees and LOC adjustment related to financial assets at amortized cost	1,784	1,265
Provision for expenses disallowed as per Income-tax Act, 1961	2,621	734
Fair valuation of SAR liability	-	47
MAT credit entitlement	-	5,557
Total deferred tax assets (A)	26,909	25,302

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Deferred tax liability arising on account of :		
Fair valuation of investment in subsidiary	1,373	1,518
Fair valuation of loans assigned	422	-
Borrowing cost adjustment related to financial liabilities at amortized cost	2,332	1,586
MTM on Investments	65	-
Total deferred tax liabilities (B)	4,192	3,104
Deferred tax assets (net) (A-B)	22,717	22,198

10. Other non-financial assets

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Advances recoverable in cash or in kind or for value to be received	766	271
Surplus in gratuity fund	-	128
Prepayments	2,565	1,933
Capital advances	114	77
Advances to employees	13	34
Others	2,409	1,472
Total	5,867	3,915

11. Property, Plant and Equipment

(₹ lakhs)

Particulars	Office Equipments	Furniture & Fixtures	Computers & Accessories	Leasehold Improve ments	Vehicles	Land & Building *	Leased assets	Total
Gross block								
Balance as at 01 April 2018	1,165	1,187	2,118	1,240	275	6	28	6,019
Additions	731	722	2,677	512	289	-	-	4,931
Deletions	(92)	(92)	(734)	(106)	(55)	-	-	(1,079)
Balance as at 31 March 2019	1,804	1,817	4,061	1,646	509	6	28	9,871
Accumulated depreciation								
Balance as at 01 April 2018	34	249	525	311	68	-	20	1,207
Depreciation charge	611	370	1,051	402	110	-	7	2,551
Deletions	(90)	(87)	(731)	(104)	(41)	-	-	(1,053)
Balance as at 31 March 2019	555	532	845	609	137	-	27	2,705
Net block								
Balance as at 01 April 2018	1,131	938	1,593	929	207	6	8	4,812
Balance as at 31 March 2019	1,249	1,285	3,216	1,037	372	6	1	7,166

*Pledged as security against secured non -convertible debenture.

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

As per management assessment there are no probable scenario in which the recoverable amount of asset would decrease below the carrying amount of asset. Consequently no impairment required.

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the Property Plant and Equipment as on the date of transition (April 01, 2017) and hence the net block of carrying amount as at March 31, 2017 has been considered as the gross block of carrying amount on the date of transition. Refer note below for the gross block value and the accumulated depreciation as at March 31, 2017 under the previous GAAP.

(₹ lakhs)

Particulars	Gross block	Accumulated depreciation	Net block
Office equipments	3,729	2,649	1,080
Furniture & fixtures	3,059	2,296	763
Computer & accessories	6,440	4,698	1,742
Leasehold improvements	3,550	2,904	646
Vehicles	173	69	104
Land & Building	6	-	6
Leased assets	138	110	28
Total	17,095	12,726	4,369

12. Intangibles assets

(₹ lakhs)

Particulars	Computer Software	Total
Gross block		
Balance as at 01 April 2018	3,143	3,143
Additions	1,934	1,934
Deletions	-	-
Balance as at 31 March 2019	5,077	5,077
Amortisation		
Balance as at 01 April 2018	889	889
Amortisation	1,008	1,008
Deletions	-	-
Balance as at 31 March 2019	1,897	1,897
Net block		
Balance as at 01 April 2018	2,254	2,254
Balance as at 31 March 2019	3,180	3,180
Intangibles under development		
Balance as at 01 April 2018	349	349
Balance as at 31 March 2019	138	138

The Company has availed the deemed cost exemption as per Ind AS 101 in relation to the Intangible Assets as on the date of transition (April 01, 2017) and hence the net block of carrying amount as at March 31, 2017 has been considered as the gross block of carrying amount on the date of transition. Refer note below for the gross block value and the accumulated depreciation as at March 31, 2017 under the previous GAAP.

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

(₹ lakhs)

Particulars	Gross block	Accumulated depreciation	Net block
Computer software	9,140	6,513	2,627

13. Trade payables*

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Dues of micro and small enterprises (refer Note 42)	52	93
Dues of creditors other than micro and small enterprises	5,180	5,109
Total	5,232	5,202

*Other payable of FY 2018 : ₹ 5,202 lakhs has been reclassified to trade payables.

14. Debt Securities ##

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
At amortized cost		
Non- convertible debentures (secured)*	940,740	643,828
Total	940,740	643,828

Subordinated liabilities	111,181	70,541
Total	111,181	70,541

* Non convertible Debentures are secured by first pari passu charge over all loan receivables and immovable property. Non-Convertible Debenture includes Masala Bonds of ₹ 100,000 Lakhs of which ₹50,000 Lakhs is listed on Singapore Stock Exchange.

The funds raised by the Company during the year by issue of Secured / Unsecured Non-Convertible Debentures /bonds were utilized for the purpose intended, i.e. towards lending, financing, to refinance the existing indebtedness of the Company or for long-term working capital, in compliance with applicable laws.

15. Borrowings

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
At amortized cost		
Term loans from bank (secured)*	670,045	506,646
Cash credit from bank (unsecured)	102	12,191
Other Loans		
Commercial papers (unsecured) #	215,332	149,235
Total	885,479	668,072

(a) Nature of securities and terms of repayment for borrowings

*Indian rupee loan from banks are secured by first pari passu charge over all loan receivables except specific charge on specific loan receivables for one of the financial institution (Term loan of ₹ 201 Lakhs as on 31 March 2018)

Commercial paper carries interest in the range of 7.02% to 9.75% p.a. and tenure of 90 to 365 days fully payable at maturity. The interest rate is on XIRR basis.

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

(b) Net Debt Reconciliation

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Borrowings	885,479	668,072
Debt securities	1,051,921	714,369
Less: Cash and cash equivalents	(20,060)	(24,249)
Net Debt	1,917,340	1,358,192

Changes in financial liabilities arising from financing activities

Particulars	(₹ lakhs)	
	Borrowings	Debt securities
Balance as at 01 April 2018	6,68,072	7,14,368
Receipts #	7,74,127	4,26,831
Repayment #	(5,54,666)	(1,07,390)
Finance costs*	69,013	74,869
Finance costs paid	(71,067)	(56,757)
Balance as at 31 March 2019	8,85,479	10,51,921

*Finance cost includes interest accrued but not due.

#in above table receipt/payment includes the change in the cash credit.

Terms of repayment of non-convertible debentures as on 31 March 2019

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Issued at par and redeemable at par						
366-730	08% - 09%	15,300	-	-	-	15,300
731-1095	07% - 08%	2,500	13,500	-	-	16,000
	08% - 09%	56,000	30,000	-	-	86,000
	09% - 11%	-	60,000	50,000	-	1,10,000
1096-1460	07% - 08%	-	38,500	8,000	-	46,500
	08% - 09%	65,500	-	19,100	-	84,600
	09% - 11%	4,000	-	95,000	20,300	1,19,300
More than 1460	07% - 08%	-	-	20,000	50,000	70,000
	08% - 09%	-	-	9,930	17,000	26,930
	09% - 11%	47,500	76,500	26,500	85,400	2,35,900
	11% - 12%	-	-	-	13,810	13,810
Issued at discount and redeemable at par						
731-1095	08% - 09%	-	-	5,000	-	5,000
	09% - 11%	-	-	15,500	-	15,500
More than 1460	09% - 11%	-	-	-	19,500	19,500
Issued at par and redeemable at premium						
1096-1460	08% - 09%	-	7,500	78,400	5,800	91,700
	09% - 11%	-	-	-	13,940	13,940
Issued at premium and redeemable at premium						
731-1095	08% - 09%	-	-	4,730	-	4,730

Fullerton India Credit Company Limited
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	09% - 11%	-	-	18,060	-	18,060
1096-1460	08% - 09%	-	-	5,000	-	5,000
	09% - 11%	-	-	2,070	3,030	5,100
Issued at premium and redeemable at par						
1096-1460	09% - 11%	-	-	5,500	-	5,500
Total		1,90,800	2,26,000	3,62,790	2,28,780	10,08,370

Terms of repayment of non-convertible debentures as on 31 March 2018

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Issued at par and redeemable at par						
731-1095	07% - 08%	12,500	2,500	13,500	-	28,500
	08% - 09%	12,500	76,000	25,000	-	1,13,500
	09% - 11%	1,700	-	-	-	1,700
1096-1460	07% - 08%	-	-	38,500	8,000	46,500
	08% - 09%	11,500	55,500	-	22,630	89,630
	09% - 11%	5,500	14,000	-	-	19,500
More than 1460	07% - 08%	-	-	-	70,000	70,000
	08% - 09%	10,000	10,000	20,000	12,800	52,800
	09% - 11%	27,500	37,500	56,500	84,400	2,05,900
	11% - 12%	6,190	-	-	13,810	20,000
Issued at par and redeemable at premium						
1096-1460	08% - 09%	-	-	7,500	28,400	35,900
Issued at premium and redeemable at premium-						
1096-1460	08% - 09%	-	-	-	5,000	5,000
Total		87,390	1,95,500	1,61,000	2,45,040	6,88,930

Terms of repayment of term loans as on 31 March 2019

Original maturity of loan (in no. of days)	Rate of Interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Quarterly repayment schedule										
1096-1460	08% - 09%	8	5,333	4	2,667	-	-	-	-	8,000
	09% - 11%	7	4,583	2	417	-	-	-	-	5,000
More than 1460	08% - 09%	4	6,667	-	-	-	-	-	-	6,667
	09% - 11%	54	56,644	53	70,950	29	46,291	36	46,578	2,20,463
Half yearly repayment schedule										
731-1095	09% - 11%	7	8,500	4	9,500	2	4,750	-	-	22,750
1096-1460	09% - 11%	1	250	2	500	1	250	-	-	1,000
More than 1460	08% - 09%	28	41,632	28	42,569	22	30,486	23	31,944	1,46,632
	09% - 11%	4	9,166	1	3,335	-	-	2	10,000	22,501
Yearly repayment schedule										

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

1096-1460	09% - 11%	1	3,333	1	3,333	1	3,333	-	-	10,000
More than 1460	08% - 09%	1	6,667	2	8,330	1	1,667	1	16,667	33,330
	09% - 11%	4	13,333	6	21,875	6	21,875	6	20,417	77,500
Bullet repayment schedule										
731-1095	08% - 09%	-	-	2	12,500	-	-	-	-	12,500
	09% - 11%	2	15,000	1	4,000	-	-	-	-	19,000
1096-1460	08% - 09%	-	-	-	-	-	-	1	15,000	15,000
	09% - 11%	-	-	4	15,000	2	25,000	-	-	40,000
More than 1460	09% - 11%	-	-	-	-	-	-	1	30,000	30,000
Total		121	1,71,109	110	1,94,976	64	1,33,652	70	1,70,606	6,70,343

Terms of repayment of term loans as on 31 March 2018

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	No. of installments	₹ lakhs	₹ lakhs
Monthly repayment schedule										
More than 1460	09% - 11%	1	201	-	-	-	-	-	-	201
Quarterly repayment schedule										
1096-1460	07% - 08%	-	-	8	5,333	4	2,667	-	-	8,000
	08% - 09%	10	6,667	11	6,250	6	2,083	2	833	15,833
More than 1460	07% - 08%	4	6,600	8	13,200	8	13,200	16	27,000	60,000
	08% - 09%	38	41,000	35	37,333	24	26,083	3	4,480	1,08,896
	09% - 11%	4	1,111	4	1,111	2	556	-	-	2,778
Half yearly repayment schedule										
731-1095	09% - 11%	4	3,750	2	5,000	-	-	-	-	8,750
More than 1460	07% - 08%	2	2,674	4	5,347	4	5,347	7	9,133	22,500
	08% - 09%	16	39,166	17	34,749	13	27,669	11	26,333	1,27,917
	09% - 11%	3	7,417	2	2,500	-	-	-	-	9,918
Yearly repayment schedule										
More than 1460	08% - 09%	3	11,667	5	20,000	6	23,333	8	40,000	95,000
Bullet repayment schedule										
731-1095	07% - 08%	-	-	2	15,000	3	16,500	-	-	31,500
1096-1460	07% - 08%	-	-	-	-	4	15,000	-	-	15,000
Total		85	1,20,252	98	1,45,823	74	1,32,439	47	1,07,779	5,06,293

Note : The above disclosures are based on face value of non-convertible debentures / principal amounts of term loans as per terms of issue / contract and outstanding as at respective reporting dates.

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Particulars of Secured Redeemable Non-convertible Debentures:

(₹ lakhs)

Particulars	Face Value	Quantity as at 31 March 2019	Date of Redemption	As at 31 March 2019	As at 31 March 2018
9.20% Series-73	10	500	08-Aug-25	5,000	-
8.35% Series-67	10	700	17-Apr-24	7,000	-
10.45% Series-27C	5	500	23-Nov-23	2,500	2,500
9.85% Series-24	10	400	22-May-23	4,000	4,000
10.60% Series-22	10	750	28-Apr-23	7,500	7,500
7.35% MS-002	10	-	25-Nov-22	50,000	50,000
8.99% Series-49	10	500	15-Jul-22	5,000	5,000
9.16% SERIES-33C	10	230	20-May-22	2,300	2,300
8.89% Series-81	10	580	10-May-22	5,800	-
9.51% Series-75	10	1,394	19-Apr-22	13,940	-
9.70% Series-76	10	1,300	19-Apr-22	13,000	-
9.40% Series-78-II	10	1,033	13-Apr-22	10,330	-
9.30% Series-80	10	7,500	31-Jan-22	75,000	-
10.00% Series-29All	5	1,800	30-Dec-21	9,000	9,000
8.00% Series-62	10	2,000	28-Dec-21	20,000	20,000
9.10% Series-68-II	10	1,550	15-Dec-21	15,500	-
9.10% Series-68-I	10	2,550	01-Dec-21	25,500	-
8.25% Series-53	10	713	22-Nov-21	7,130	7,130
8.83% Series-70	10	5,000	22-Jul-21	50,000	-
8.83% Series-69	10	2,373	15-Jul-21	23,730	-
9.20% Series-77	10	5,000	09-Jul-21	50,000	-
8.52% Series-65	10	2,050	08-Jun-21	20,500	15,500
9.20% Series-32II	10	1,500	28-May-21	15,000	15,000
8.95% Series-42	10	100	10-May-21	1,000	1,000
8.95% Series-41	10	180	29-Apr-21	1,800	1,800
8.52% Series-64	10	1,850	20-Apr-21	18,500	18,500
8.00% Series-58	10	800	13-Apr-21	8,000	8,000
8.45% Series-66	10	1,963	08-Apr-21	19,630	14,900
9.33% Series-78-I	10	1,000	19-Mar-21	10,000	-
9.30% Series-79	10	5,000	15-Mar-21	50,000	-
9.22% Series-34B (ii)	10	700	08-Mar-21	7,000	7,000
8.20% Series-63	10	750	26-Feb-21	7,500	7,500
9.05% Series-34F	10	100	18-Jan-21	1,000	1,000
9.25% SERIES-33DIII	10	1,000	30-Dec-20	10,000	10,000
9.05% Series-36A	10	1,500	30-Dec-20	15,000	15,000
8.75% Series-37	10	3,000	15-Dec-20	30,000	40,000
7.65% Series-61	10	1,000	15-Dec-20	10,000	10,000
9.10% Series-34D (ii)	10	250	30-Nov-20	2,500	2,500
9.05% Series-35	10	1,500	28-Nov-20	15,000	15,000
8.01% Series-57	10	2,500	06-Oct-20	25,000	25,000
7.65% Series-59	10	1,350	06-Oct-20	13,500	13,500
8.85% Series-74	10	500	31-Aug-20	5,000	-
7.68% Series-56	10	1,600	14-Aug-20	16,000	16,000

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

8.00% Series-55	10	1,250	30-Apr-20	12,500	12,500
9.85% Series-29AI	5	1,200	14-Apr-20	6,000	6,000
8.80% Series-72	10	1,250	30-Jan-20	12,500	-
9.30% Series-30DII	10	250	29-Jan-20	2,500	2,500
8.75% Series-71	10	280	30-Dec-19	2,800	-
7.65% Series-60	10	250	20-Dec-19	2,500	2,500
9.42% Series-30B	10	500	09-Dec-19	5,000	5,000
9.10% Series-34D (i)	10	400	29-Nov-19	4,000	4,000
8.59% MS-001	10	-	23-Nov-19	50,000	50,000
8.90% Series-47	10	500	16-Sep-19	5,000	5,000
8.75% Series-52	10	1,000	12-Aug-19	10,000	10,000
8.65% Series-50	10	1,500	02-Aug-19	15,000	15,000
8.79% Series-51	10	250	23-Jul-19	2,500	2,500
9.90% Series-28	5	3,000	24-Jun-19	15,000	15,000
8.90% Series-46	10	250	07-Jun-19	2,500	2,500
9.10% Series-32I	10	1,500	28-May-19	15,000	15,000
9.73% Series-44	10	1,000	27-May-19	10,000	10,000
8.90% Series-45	10	200	24-May-19	2,000	2,000
8.90% Series-39(ii)	10	50	29-Apr-19	500	500
8.85% Series-40	10	1,550	19-Apr-19	15,500	15,500
8.90% Series-38	10	600	04-Apr-19	6,000	6,000
8.90% Series-39(i)	10	250	03-Apr-19	2,500	2,500
8.80% Series-48	10	-	27-Mar-19	-	20,000
7.97% Series-54	10	-	22-Mar-19	-	12,500
9.30% Series 30DI	10	-	29-Jan-19	-	2,500
10.90% Series-27F	5	-	07-Jan-19	-	5,000
8.95% Series-34E	10	-	17-Dec-18	-	1,500
11.00% Series-27E	5	-	10-Dec-18	-	5,000
8.90% Series-34C	10	-	15-Oct-18	-	10,000
8.90% Series 43	10	-	17-Sep-18	-	12,500
9.10% Series-34B (i)	10	-	07-Sep-18	-	1,500
9.30% Series-25	10	-	14-Jun-18	-	5,000
9.11% Series-33DII	10	-	25-May-18	-	1,700
9.50% Series-23	10	-	08-May-18	-	10,000
9.05% Series-33A	10	-	30-Apr-18	-	4,000
Total				9,03,460	6,19,830

Particulars of Unsecured Redeemable Non-convertible Debentures (Subordinated Debt):

(₹ lakhs)

Particulars	Face Value	Quantity as at 31 March 2019	Date of Redemption	31 March 2019	31 March 2018
9.25% Subdebts_Series 15	10	1,500	26-Apr-29	15,000	-
9.45% Subdebts_Series 14	10	450	20-Jul-28	4,500	-
9.30% Subdebts_Series 13	10	2,250	08-Jun-28	22,500	-
9.30% Subdebts Series 11	10	210	30-Apr-26	2,100	2,100
9.25% Subdebts_Series 10	10	250	23-Mar-26	2,500	2,500
9.30% Subdebts_Series 9II	10	250	25-Feb-26	2,500	2,500
9.50% Subdebts_Series 7I	10	1,000	13-Oct-25	10,000	10,000

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

9.50% Subdebts_Series 5I	10	250	10-Jun-25	2,500	2,500
8.75% Subdebts Series 12(ii)	10	250	25-Apr-25	2,500	2,500
9.60% Subdebts Series 4	10	500	26-Dec-24	5,000	5,000
8.75% Subdebts Series 12(i)	10	250	26-Apr-24	2,500	2,500
10.50% Subdebts Series 3	5	1,000	28-Oct-23	5,000	5,000
9.30% Subdebts_Series 9I	10	250	25-Apr-23	2,500	2,500
11.40% Subdebts Series 2C	10	500	28-Oct-22	5,000	5,000
9.40% Subdebts_Series 7II	10	500	13-Oct-22	5,000	5,000
11.40% Subdebts Series 2B	10	400	28-Sep-22	4,000	4,000
11.40% Subdebts Series 1B	10	481	14-Sep-22	4,810	4,810
9.4% Subdebts_Series 6II	10	250	03-Aug-22	2,500	2,500
9.4% Subdebts_Series 5II	10	200	10-Jun-22	2,000	2,000
9.5% Subdebts_Series 8	10	250	25-Jun-21	2,500	2,500
11.25% Subdebts Series 2A	10	-	27-Jun-18	-	1,000
11.25% Subdebts Series 1A	10	-	14-Jun-18	-	5,190
Total				1,04,910	69,100

16. Other financial liabilities

(₹ lakhs)

Particulars	As at	As at
	31-Mar-19	31-Mar-18
Employee benefits and other payables	10,633	8,256
Bank balances (Book overdraft)	44,785	45,335
Payable towards asset assignment / securitization	1,246	967
Others*	25,196	14,079
Total	81,860	68,637

*Other payable of FY 2018 : ₹ 5,202 lakhs has been reclassified to Trade payables.

17. Current tax liabilities

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Provision for Income Tax (net of advance tax)	1,929	4,090
Total	1,929	4,090

18. Provisions

(₹ lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits		
- Provision for superannuation	1	1
- Provision for compensated absences	29	29
-Provision for defined benefit plans	635	-
Total	665	30

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

19. Other non-financial liabilities

(₹ lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Statutory dues	1,914	1,527
Others	3,320	2,629
Total	5,234	4,156

20. Equity Share capital

(₹ lakhs)

Particulars	As at	As at
	31 March 2019	31 March 2018
Authorized Equity shares Capital	2,50,000	2,50,000
2,500,000,000 (31 March 2018: 2,500,000,000) equity shares of ₹10 each		
Issued, subscribed and fully paid up	2,01,150	1,98,007
2,011,498,295 (31 March 2018: 1,980,071,519) equity shares of ₹10 each, fully paid up		

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of Share	Amount (₹ lakhs)	No of Share	Amount (₹ lakhs)
Balance at the beginning of the year *	1,980,071,519	1,98,007	1,980,071,519	1,98,007
Add :Shares issued during the year	3,14,26,776	3,143	-	-
Balance at the end of the year	2,01,14,98,295	2,01,150	1,980,071,519	1,98,007

* Includes equity shares of Rs. 10 each allotted to Fullerton Financial Holdings Pte Ltd., the holding Company of erstwhile Fullerton Enterprises Pvt. Ltd., for consideration other than cash, pursuant to the scheme of Amalgamation approved by the Honorable High Court, Bombay during Financial Year 2008-09

(b) Terms/right 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.

Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend is declared and paid in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of Share	Amount (₹ lakhs)	No of Share	Amount (₹ lakhs)
Angelica Investments Pte Ltd, Singapore the holding company and its nominees	1,926,241,938	1,92,624	1,894,815,162	1,89,481
Fullerton Financial Holdings Pte Ltd, Singapore,	8,52,56,357	8,526	8,52,56,357	8,526

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

The holding company of Angelica Investments Pte Ltd				
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(d) Shareholders holding more than 5% of the shares in the Company

Particulars	As at 31 March 2019		As at 31 March 2018	
	No of Share	% of Holding	No of Share	% of Holding
Angelica Investments Pte. Ltd, Singapore, the holding company and its nominees	1,926,241,938	95.8%	1,894,815,162	95.7%

The Company has not issued any bonus shares or shares for consideration other than cash nor has there been any buyback of shares during five years immediately preceding 31 March 2019.

21. Other Equity

(₹ lakhs)

Particulars	As at	As at
	31 March 2019	31 March 2018
General Reserve	96	96
Capital Reserve	3,443	3,443
Securities premium Account	32,245	20,388
Reserve Fund under Section 45 - IC of the RBI Act, 1934	48,789	33,284
Other Comprehensive Income	(444)	(8)
Surplus in the statement of profit and loss	79,908	17,890
Total	1,64,037	75,093

(Refer Statement of Change in Equity for the year ended 31 March 2019 for movement in Other Equity)

Nature and purpose of reserves

(i) General Reserve

Pursuant to the provisions of Companies Act 1956, the company had transferred a portion of profit of the company before declaring dividend to general reserve. However mandatory transfer to general reserve is not required under Companies Act, 2013.

(ii) Capital Reserve

Capital Reserve is created on account of reversal of debenture issue costs charged to securities premium under previous GAAP. The same shall be utilized as per the provisions of Companies Act, 2013.

(iii) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(iv) Reserve Fund under Section 45 - IC of the RBI Act, 1934

The company is required to create a fund by transferring not less than 20% its net profit every year as disclosed in the statement of profit and loss account and before any dividend is declared. The fund shall be utilised for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank within 21 days from the date of such withdrawal.

(v) Retained Earnings & Surplus in the statement of profit and loss

Retained earnings is profit that the company has earned to date, less any dividend or other distributions paid to the shareholders, net of utilization as permitted under applicable law.

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

22. Interest Income

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
On Portfolio Loans	387,200	251,960
On deposits with banks	3,695	4,282
On Investments	5,576	3,095
Total	396,471	259,337

23. Fee and Commission Income

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Fees and Commission Income	6,384	4,522
Total	6,384	4,522

24. Net gain on financial assets at FVTPL

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Realized Gain	3,829	557
Unrealized Gain	185	314
Total	4,014	871

25. Ancillary Income

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Other fee income	5,839	5,020
Total	5,839	5,020

26. Other Income

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Profit on de-recognition of property plant and equipment	11	9
Interest on Security Deposits	398	133
Miscellaneous income	695	1,370
Total	1,104	1,512

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

27. Finance Cost

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
On financial liabilities measured at amortised cost		
Borrowings	67,866	44,513
Debt securities	74,869	52,794
Bank charges and others	1,147	714
Total	143,882	98,021

28. Net loss on financial assets at FVTPL

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Unrealised Loss	193	24
Total	193	24

29. Impairment on financial instruments

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Bad debts and Write off (net of recovery)	33,040	62,238
Provision for loans and advances	17,976	(15,299)
Total	51,016	46,938

*Bad debts and write offs are offset by recovery of ₹ 18,865 lakhs (FY 2018: ₹ 20,361 lakhs)

30. Employee benefits expense

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Salaries, bonus and allowances	51,554	41,641
Share based payment to employees and directors	795	516
Contribution to provident and other funds	2,647	2,006
Gratuity expense (refer note 37)	306	316
Staff welfare and training expenses	2,412	1,667
Total	57,714	46,146

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

31. Other expenses

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Printing and stationery	1,557	1,238
Rent	4,342	3,744
Rates and taxes	73	68
Insurance	92	67
Business promotion expenses	4,906	1,134
Legal charges	671	324
Professional charges	9,947	7,304
Collection expenses	2,057	1,664
Courier charges	714	522
Repairs and maintenance		
- Office premises	2,182	1,495
- Others	178	304
Directors' sitting fees	85	31
Travelling expenses	3,921	2,699
Telecommunication expenses	1,459	1,009
Payment to auditor (refer details below)	70	57
Electricity charges	1,100	928
Security charges	351	244
Recruitment expenses	386	346
Training expenses	958	209
Fees and subscription	158	40
Corporate social responsibility expenses as per section 135 (5) of Companies Act, 2013 (see note 43)	834	577
Miscellaneous expenses	1,965	97
Write off of Property, plant & equipment and intangible assets	9	24
Total	38,015	24,125

Professional fees payable to auditors		
Statutory Audit fee	41	37
Tax Audit fee	7	7
Other services	7	7
In other capacity		
- Certification matter & others	12	4
- Reimbursement of expenses	3	2
Total	70	57

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

32. Tax Expense

(a) Amount recognised in the statement of profit and loss

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Current tax for the year	47,986	13,270
Adjustment of tax relating to earlier periods	-	(1,128)
Current tax expense (A)	47,986	12,142
Deferred taxes for the year		
(Increase)/decrease in deferred tax assets	(7,164)	6,712
Increase/(decrease) in deferred tax liabilities	1,089	(1,149)
Net deferred tax Asset (B)	(6,075)	5,563
Total Income Tax Expense (A+B)	41,911	17,705

(b) Amount recognised in Other comprehensive income

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Items that will not be reclassified to profit or loss		
Actuarial loss on defined benefit obligations (net of tax)	(435)	(8)
Total	(435)	(8)

(c) Tax reconciliation (for profit and loss)

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Net Profit / (Loss) before OCI as per PL	1,19,433	52,668
Income tax @ Statutory Tax Rate of 34.944%	41,735	18,227
Tax effects of:		
Items which are taxed at different rates	(144)	(896)
Net expenses that are not deductible in determining taxable profit	442	285
Tax deductible expenses debited to OCI	(152)	(3)
Recognition of previously unrecognised temporary differences	30	92
Income tax expenses reported in PL	41,911	17,705
Tax Rate Effective*	35.09%	33.62%

*In FY 2018-19 the Govt. enacted a change in national income tax rate by increasing health and education cess tax from 3% to 4%, accordingly income tax rate has been increased from 34.61% in FY 2017-18 to 34.94% in FY 2018-19.

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Significant components and movement in deferred tax assets and liabilities

(₹ lakhs)

Particulars	As at 01 April 2018	Recognised in Profit and loss	Recognised in OCI	Recognised in equity	As at 31 March 2019
Deferred tax liabilities on account of:					
Fair valuation of investment in subsidiary	1,518	(145)	-	-	1,373
Borrowing cost adjustment related to financial liabilities at amortized cost	1,586	746	-	-	2,332
MTM on Investments	-	65	-	-	65
Fair valuation of loans assigned	-	422	-	-	422
Deferred Tax liability (A)	3,104	1,088	-	-	4,192
Deferred tax asset on account of:					
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	132	510	-	-	642
Difference in book value of PPE	1,779	(38)	-	-	1,741
MTM on investments	(1)	68	-	-	67
Impact of application on expected credit loss on financial assets	15,759	4,256	-	-	20,015
Provision for security deposits	30	9	-	-	39
Processing fees and LOC adjustment related to financial assets at amortized cost	1,265	519	-	-	1,784
Provision for expenses disallowed as per Income-tax Act, 1961	734	1,887	-	-	2,621
Fair valuation of SAR liability	47	(47)	-	-	-
MAT credit entitlement	5,557	(5,557)	-	-	-
Deferred tax asset (B)	25,302	1,607	-	-	26,909
Net Deferred tax assets (B-A)	22,198	519	-	-	22,717

(₹ lakhs)

Particulars	As at 1 April 2017	Recognized in Profit and loss	Recognized in OCI	Recognized in equity	As at 31 March 2018
Deferred tax liabilities on account of:					
Fair valuation of investment of subsidiary	2,225	(707)	-	-	1,518
Borrowing cost adjustment related to financial liabilities at amortized cost	1,700	(442)	-	328	1,586
Financial assets measured at fair value through profit or loss	-	-	-	-	-
Deferred tax liability (A)	3,925	(1,149)	-	328	3,104
Deferred tax asset on account of:					
Impact of expenditure charged to profit and loss but allowed for tax purposes on payment basis	228	(96)	-	-	132
Difference in book value of PPE	1,644	134	-	-	1,778
MTM on investments	107	(108)	-	-	(1)

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Particulars	As at 1 April 2017	Recognize d in Profit and loss	Recognize d in OCI	Recognize d in equity	As at 31 March 2018
Impact of application on expected credit loss on financial assets	22,288	(6,529)	-	-	15,759
Provision for security deposits	30	-	-	-	30
Processing fees and LOC adjustment related to financial assets at amortized cost	1,706	(441)	-	-	1,265
Provision for expenses disallowed as per Income-tax Act, 1961	415	319	-	-	734
Fair valuation of SAR liability	39	9	-	-	48
MAT credit entitlement	6,126	(570)	-	-	5,556
Deferred tax asset (B)	32,583	(7,282)	-	-	25,301
Net Deferred tax asset (B-A)	28,658	(6,133)	-	(328)	22,197

33. Earnings Per Share

Particulars	As at 31 March 2019	As at 31 March 2018
Net Profit after tax attributable to Equity Holders (₹ lakhs)	77,522	34,963
Weighted Average number of Equity Shares for basic earnings per share	1,995,827,957	1,980,071,519
Weighted Average number of Equity Shares for diluted earnings per share	1,995,827,957	1,980,071,519
Earnings per Share		
Basic earning per share ₹	3.88	1.77
Diluted earning per share ₹	3.88	1.77
Nominal value of shares ₹ 10 each (Previous year: ₹ 10 each)		

The Company has not issued any potential equity shares. Accordingly diluted EPS is equal to basic EPS

34. First time adoption of Ind AS

These financial statements, for the year ended 31 March 2019, are the Company's first financial statements prepared in accordance with Ind AS. For the period upto and including the year ended 31 March 2018, the Company has prepared its financial statements in accordance with Previous GAAP.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements as at and for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 1 April 2017 (the date of transition). This note explains the principle adjustments made by the Company in restating its Previous GAAP financial statements, including the Balance Sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

Optional exemptions availed and mandatory exceptions

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP is recognised directly in equity (retained earnings or another appropriate category of equity).

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is as follows:

A. Exceptions and exemptions availed

i. Ind AS mandatory exceptions

Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

Classification and measurement of financial assets

The Company has determined the classification and measurement of financial assets based on facts and circumstances that existed on the date of transition.

De-recognition of financial assets and liabilities

The Company has applied the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Stock appreciation rights

The Company has elected to apply Ind AS 102 Share-based payment to SAR that were unvested and unexercised on the date of transition to Ind AS.

Impairment of financial assets

The Company has applied the impairment related requirements of Ind AS 109 retrospectively from the transition date.

ii. Optional exemptions availed

Deemed cost - Property Plant and Equipment and Other Intangible Assets

The Company has elected to continue with the carrying value for all of its Property, Plant and Equipment and Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Investment in Subsidiaries

The Company has elected to measure its investment in subsidiaries at fair value on the date of transition and subsequently considered the same as deemed cost.

B Reconciliations between Previous GAAP and Ind AS

For the purposes of reporting as set out in Note 1B, the Company has transitioned its basis of accounting from Previous GAAP to Ind AS. The accounting policies set out in Note 1C have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS balance sheet at April 01, 2017 (the 'transition date').

In preparing the opening Ind AS balance sheet, amounts reported in financial statements prepared in accordance with Previous GAAP have been adjusted. An explanation of how the transition from Previous GAAP to Ind AS has affected the financial performance, financial position and cash flows is set out in the following tables and the notes that accompany the tables.

B.1 First time adoption of Ind AS

i) Effect of Ind AS adoption on the balance sheet date as below

(₹ lakhs)

Particulars	1 April 2017			31 March 2018		
	Previous GAAP*	Adjustments	Amount under Ind AS	Previous GAAP*	Adjustments	Amount under Ind AS
ASSETS						
Financial assets						
Cash and cash equivalents	8,157	-	8,157	24,249	-	24,249
Bank balances other than cash and cash equivalents	53,055	-	53,055	53,521	-	53,521
Investments	202,005	7,056	209,061	83,596	7,054	90,650
Trade receivables	381	-	381	726	-	726
Other financial assets	13,607	(722)	12,885	2,503	(591)	1,912
Loans and advances	1,106,474	(29,797)	1,076,677	15,61,625	(30,890)	15,30,735
Total financial assets	1,383,679	(23,463)	1,360,216	1,726,220	(24,427)	1,701,793
Non financial assets						
Current tax asset	2,469	-	2,469	2,335	-	2,335
Deferred tax asset (net)	21,930	6,728	28,658	14,299	7,899	22,198
Property, plants and equipment	4,369	-	4,369	4,812	-	4,812
Intangible assets	2,627	-	2,627	2,254	-	2,254
Tangible/ Intangible asset under development	360	-	360	349	-	349
Other non financial asset	2,989	696	3,685	3,367	548	3,915
Total non financial asset	34,744	7,424	42,168	27,416	8,447	35,863
Total Assets	1,418,423	(16,039)	1,402,384	1,753,636	(15,980)	1,737,656
LIABILITIES AND EQUITY						
Liabilities						
Financial liabilities						
Trade payables	4,476	-	4,476	5,202	-	5,202
Debt Securities#	565,990	(3,968)	562,022	7,18,394	(4,025)	7,14,369
Borrowings	561,032	-	561,032	6,68,072	-	6,68,072
Other financial liabilities	33,211	112	33,323	68,501	136	68,637
Total Financial Liabilities	1,164,709	(3,856)	1,160,853	14,60,169	(3,889)	14,56,280
Non financial liability						
Current tax liabilities	268	-	268	4,090	-	4,090
Provisions	42	-	42	30	-	30
Other Non financial liabilities	3,001	-	3,001	4,156	-	4,156
Total Non financial liability	3,311	-	3,311	8,276	-	8,276
Equity						
Equity share capital	198,007	-	198,007	1,98,007	-	1,98,007
Other equity	52,396	(12,183)	40,213	87,184	(12,091)	75,093
Total Equity	250,403	(12,183)	238,220	2,85,191	(12,091)	2,73,100

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Particulars	1 April 2017			31 March 2018		
	Previous GAAP*	Adjustments	Amount under Ind AS	Previous GAAP*	Adjustments	Amount under Ind AS
Total Liabilities and Equity	1,418,423	(16,039)	1,402,384	17,53,636	(15,980)	17,37,656

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

#Debt Securities includes subordinated liabilities

ii) Effect of Ind AS adoption on statement of Profit and Loss for the year ended 31 March 2018

(₹ lakhs)

Particulars	Previous GAAP	Adjustments	Amount under Ind AS
Revenue from operations			
Interest income	258,672	665	259,337
Fees and commission income	4,522	-	4,522
Net gain on fair value changes	874	(3)	871
Ancillary income	5,020	-	5,020
Total revenue from operations	269,088	662	269,750
Other income	1,512	-	1,512
Total Income	270,600	662	271,262
Expenses			
Finance costs	97,176	845	98,021
Fees and commission expense	-	-	-
Net loss on fair value changes	24	-	24
Impairment on financial instruments	45,313	1,625	46,938
Employee benefits expense	46,130	16	46,146
Depreciation, amortisation and impairment	3,340	-	3,340
Other expenses	23,977	148	24,125
Total expenses	215,960	2,634	218,594
Profit before tax	54,640	(1,972)	52,668
Tax expense			
(i) Current tax	13,270	-	13,270
(ii) Adjustment of tax relating to earlier periods	(1,128)	-	(1,128)
(iii) Deferred tax expense / (credit)	7,063	(1,500)	5,563
Net profit after tax	35,435	(472)	34,963
Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit plan (net of tax)	-	(8)	(8)
Total Comprehensive income / (loss) for the year, net of tax	35,435	(480)	34,955

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

iii) Reconciliation of equity from previous GAAP to Ind AS

(₹ lakhs)

Particulars	Note	Equity as at 31 March 2018	Equity as at 01 April 2017
Equity as reported under previous GAAP		285,191	250,403
GAAP adjustments:			
Impact on recognition of financial assets and financial liabilities of amortised cost by application of Effective interest rate:-			
Financial assets	a	(1,436)	(1,953)
Financial liabilities	b	4,025	3,968
Impact on application of expected credit loss	c	(29,496)	(27,871)
Fair valuation of investments	d	7,053	7,056
Fair valuation of SAR liability	e	(136)	(112)
Impact of deferred taxes on the above adjustments	g	7,899	6,728
Total - GAAP adjustments		(12,091)	(12,184)
Equity as per Ind AS		273,100	238,220

Reconciliation of total comprehensive income from previous GAAP to Ind AS

(₹ lakhs)

Particulars	Note	Profit for the year 31 March 2018
Net profit after tax as reported under previous GAAP		35,435
GAAP adjustments:		
Impact on recognition of financial assets and financial liabilities of amortised cost by application of Effective interest rate:-		
Financial assets	a	517
Financial liabilities	b	(846)
Impact on application of expected credit loss	c	(1,625)
Fair valuation of investments	d	(4)
Fair valuation of SAR liability	e	(24)
Reclassification of recognising actuarial gains on defined benefit obligations in other comprehensive income	f	8
Impact of deferred taxes on the above adjustments	g	1,500
Total - GAAP adjustments		(474)
Net profit after tax as per Ind AS		34,963
Impact of recognising actuarial gains on defined benefit obligations in other comprehensive income (net of tax)		(8)
Total - GAAP adjustments		(8)
Total comprehensive income after tax as per Ind AS		34,953

iv) Impact on Cash flow statements :

There is no significant impact on cash flow from operating, investing and financing activities for the year ended 31 March 2018 on transition to Ind AS.

B.2 Notes to reconciliations

a Financial assets carried at amortised cost

Security Deposits

Under the Previous GAAP, interest free lease security deposits given (that are refundable in cash on expiry/termination of the lease term) were recorded at their transaction value.

Under Ind AS, all financial assets are required to be measured at fair value in initial recognition. Accordingly, the Company has fair valued lease security deposits under Ind AS. Difference between the fair value and transaction value of the security deposits has been recognised as prepaid expenses. Subsequently, the deposit will be measured at amortised cost resulting into recognition of finance income in the statement of profit and loss.

Portfolio Loans

Under the Previous GAAP, loans are accounted at the gross transaction price where processing fees is recognised as income and loan origination costs are recognised as expenses, over the period of the loan in proportion to the interest income for the entire period.

Under Ind AS, transaction costs are included in the initial recognition amount of financial assets and recognised as interest income using the effective interest method.

b Financial liabilities carried at amortised cost

Under the Previous GAAP, transaction costs incurred on borrowings were charged to securities premium upfront.

Under Ind AS, transaction costs are included in the initial recognition amount of financial liabilities and recognised as interest expenses using the effective interest method. Ind AS impact of the amount already charged in securities premium till transition date is reversed under capital reserve.

c Impact on implementation of expected credit loss on financial assets.

Under the Previous GAAP, provision for doubtful debts are made based on the RBI prudential norms for incurred losses.

Under Ind AS, an impairment loss shall be recognised as per the expected credit losses model on all financial assets (other than those measured at fair value).

d Fair value of Investments

Under the Previous GAAP, long term investments are carried at cost. Provision for diminution was recognised for a decline, if any, which was other than temporary in the value of Long Term investments. Short term investments are carried at net realizable value or cost whichever is lower.

Under Ind AS, the Company has measured its investments in government securities, treasury bills, mutual funds, commercial papers, corporate bonds, certificate of deposits, equity shares of unlisted companies (other than subsidiaries) at FVTPL as they do not meet the SPPI criteria (i.e. solely payments of principal and interest).

e Fair value of Stock Appreciation Rights

Under the Previous GAAP, the cost of cash-settled employee share-based plan were recognized using the net book value as at the grant date.

Under Ind AS, the Company has measured the cost of cash-settled employee share-based plan at fair value as at reporting date. The resulting employee compensation cost has been recognised in retained

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

earnings as at the date of transition April 01, 2017 and subsequently in the Statement of Profit and Loss for the year ended March 31, 2018.

f Impact of recognizing actuarial gains / (losses) on defined benefit obligations in other comprehensive income

Under the Previous GAAP, actuarial gains / losses on defined benefit obligations were recognised in statement of profit and loss as part of employee benefit expenses.

Under Ind AS, re-measurements i.e. actuarial gains and losses, are recognised in other comprehensive income instead of the statement of profit and loss.

g Impact on account of deferred taxes

Under the Previous GAAP, deferred tax was accounted as per the income approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income.

Under Ind AS, deferred tax is accounted as per the balance sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base. The adjustments in equity and net profit, as discussed above, resulted in additional temporary differences on which deferred taxes are calculated. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has accounted deferred tax on them.

h Retained Earnings

Retained earnings as on 1st April 2017 has been adjusted consequent to the above Ind AS transition adjustment

35. Related Party Disclosures

Related party disclosures as required under Indian Accounting standard 24, " Related party disclosure" are given below for the related parties of the Company with whom there have been transaction during the year.

35.1. List of related parties

Nature of Relationship	Name of Related Party
Ultimate Holding Company	Temasek Holdings (Private) Limited
Holding Company	Angelica Investments Pte Ltd, Singapore ('Angelica') Fullerton Financials Holdings Pte Ltd (Holding Company of Angelica)
Fellow Subsidiary	Fullerton Securities & Wealth Advisors Ltd. Fullerton Financial Holdings (International) Pte Ltd
Subsidiary	Fullerton India Foundation for Social & Economic Development Pvt Ltd. Fullerton India Home Finance Company Ltd.
Key Management Personnel	Dr. Milan Robert Shuster -Independent Director Ms. Sudha Pillai - Independent Director Ms. Renu Challu - Independent Director Mr. Premod Thomas - Independent Director Mr. Shirish Apte - Independent Director Mr. Kenneth Ho Tat Meng - Non Executive Director Mr. Anindo Mukherjee - Non Executive Director (up to 31 December 2017 and from 13 February 2018)

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Nature of Relationship	Name of Related Party
	Mr. Shantanu Mitra, Chief Executive Officer and Managing Director (upto 31 December 2017)
	Mr. Anindo Mukherjee, Interim CEO & Whole Time Director (1 Jan 2018 to 12th February 2018)
	Ms. Rajashree Nambiar, Chief Executive Officer and Managing Director (from 12 February 2018)

35.2. Transactions during the year with related parties :

Nature of Transactions	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Reimbursement for expenses incurred on behalf of the Company		
Fullerton Financials Holdings Pte Ltd	-	1
Fullerton India Home Finance Company Ltd	4	34
Fullerton Financial Holdings (International) Pte Ltd	24	181
Expenses incurred by the Company on behalf of others		
Fullerton Financial Holdings (International) Pte Ltd	-	1
Issue of Share capital (including securities premium)		
Fullerton Financials Holdings Pte Ltd	15,000	-
Income as per Resource sharing agreement		
Fullerton India Home Finance Company Ltd.	1,033	795
Lease Rental Income		
Fullerton Securities & Wealth Advisors Ltd.	3	1
Fee for committed credit line		
Fullerton India Home Finance Company Ltd.	15	34

Remuneration paid to Company's Key Management Personnel	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Salary, bonus and allowances (including short term benefits)	425	644
Post -employment benefits	14	1,015
Share based payments	180	451
Director's sitting fees	33	33
Director's Commission	44	44
Total	696	2,187

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

35.3. Amount due to / from related parties:

	(₹ lakhs)	
Balance outstanding as at the year end	31 March 2019	31 March 2018
Investment in equity shares		
Fullerton India Home Finance Company Ltd	51,000	36,000
Fullerton India Foundation for Social & Economic Development Pvt Ltd	2	2
Less: Provision for diminution of investments	(2)	(2)
Other Receivables (Net)		
Fullerton India Home Finance Company Ltd	106	194
Fullerton Securities & Wealth Advisors Ltd.	1	-

*Deemed cost at fair value is ₹ 57,691 as at 31 March 2019, ₹ 42,961 as at March 2018, ₹ 42,961 as at March 2017.

36. Capital Management

Equity share capital and other equity are considered for the purpose of the Company's capital management. The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through equity, borrowings and operating cash flows generated. The management monitors the return on capital and the board of directors monitors the level of dividends to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The company maintains its capital base to cover the risks inherent in the business and in meeting the capital adequacy requirements of the Reserve Bank of India (RBI). The adequacy of the company's capital is monitored using, among other measures, the regulations issued by the RBI. Company has complied in full with all its externally imposed capital requirements over the reported period. For details refer Note 53.1.

37. Retirement Benefit Plans

Defined Contribution Plan

The total expense charged to income of ₹ 2,646 lakhs (2018: ₹ 2,006 lakhs) represents contributions payable to these plans by the Company at rates specified in the rules of the plan.

Defined Benefit Obligation

Particulars	As at 31 March 2019 (Amount ₹)	As at 31 March 2018 (Amount ₹)
Actuarial assumptions		
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Discount rate and expected rate of return on assets	7.22% p.a.	7.68% p.a.
Rate of increase in compensation	10.00% p.a.	10.00% p.a.
Employee turnover :		

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Particulars	As at 31 March 2019 (Amount ₹)	As at 31 March 2018 (Amount ₹)
Category 1 – For basic upto ₹ 1.2 lakhs Up to 4 years 5 years and above	51.40% p.a 2.00% p.a	49.90% p.a 2.00% p.a
Category 2 – For basic more than ₹ 1.2 lakhs Up to 4 years 5 years and above	27.20% p.a 2.00% p.a	23.30% p.a 2.00% p.a
Assets information:		
Insured Managed funds	19,50,89,143	20,18,89,639
Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	18,90,93,512	16,16,62,827
Interest expense	1,45,22,382	1,16,72,056
Current service cost	3,37,50,039	3,23,47,956
Past service cost	-	-
Liability Transferred In	-	1,38,141
Liability Transferred Out	(21,75,335)	(23,41,832)
Benefit Paid From the Fund	(2,41,70,673)	(1,33,16,287)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(37,49,548)	(22,69,926)
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	1,89,11,966	(1,51,94,849)
Actuarial (Gains)/Losses on Obligations - Due to Experience adjustments	3,02,27,613	1,63,95,426
Present Value of obligation at the end of the year	25,64,09,956	18,90,93,512
Changes in the Fair value of Plan Assets		
Fair value of plan assets at beginning of the year	20,18,89,639	17,22,31,893
Interest income	1,55,05,124	1,24,35,143
Contributions by the Employer	-	3,24,08,837
Mortality charges and taxes		
Benefit Paid from the Fund	(2,41,70,673)	(1,33,16,287)
Return on Plan Assets, Excluding Interest Income	18,65,053	(18,69,947)
Fair Value of Plan Assets at the end of the year	19,50,89,143	20,18,89,639
Assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation at the end of the year	(25,64,09,956)	(18,90,93,512)
Fair Value of Plan Assets at the end of the Period	19,50,89,143	20,18,89,639
Funded Status (Surplus/ (Deficit))	(6,13,20,813)	1,27,96,127
Net (Liability)/Asset Recognized in the Balance Sheet	(6,13,20,813)	1,27,96,127
Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	3,37,50,039	3,23,47,956
Past service cost		-
Net interest (income)/ expense	(9,82,742)	(7,63,087)
Net gratuity expense recognised	3,27,67,297	3,15,84,869
Included in note 29 'Employee benefits expense'		

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Particulars	As at 31 March 2019 (Amount ₹)	As at 31 March 2018 (Amount ₹)
Expenses recognised in the Statement of Other comprehensive income (OCI)		
Actuarial gain/ loss on post-employment benefit obligation	4,35,24,978	8,00,598
Total remeasurement cost / (credit) for the year recognised in OCI	4,35,24,978	8,00,598
Reconciliation of Net asset / (liability) recognised:		
Particulars	For the year ended 31 March 2019 (₹)	For the year ended 31 March 2018 (₹)
Opening Net Liability	(1,27,96,127)	(1,05,69,066)
Expenses recognised at the end of period	3,27,67,297	3,15,84,869
Amount recognised in other comprehensive income	4,35,24,978	8,00,598
Net Liability/(Asset) Transfer In	-	1,38,141
Net (Liability)/Asset Transfer Out	(21,75,335)	(23,41,832)
Employer's Contribution	-	(3,24,08,837)
Net Liability/(Asset) Recognized in the Balance Sheet	6,13,20,813	(1,27,96,127)

Sensitivity Analysis:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Decrease	Increase	Decrease	Increase
Discount Rate (1% movement)	4,80,67,514	(3,89,21,991)	3,50,19,664	(2,84,34,070)
Future Salary Growth (1% movement)	(3,83,48,937)	4,62,54,977	(2,81,23,434)	3,38,60,934
Rate of Employee Turnover (1% movement)	1,33,22,628	(1,14,21,848)	84,36,471	(72,73,473)

“The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the Balance Sheet.”

Maturity analysis of projected benefit obligation

Year	As at 31 March 2019	As at 31 March 2018
1	33,55,164	25,42,115
2	36,47,659	28,48,920
3	43,90,067	32,39,312
4	48,14,563	37,97,113
5	55,50,473	41,82,181
Sum of Years 6 to 10	3,57,93,120	2,73,85,201

Fullerton India Credit Company Limited
Notes to the reformatted standalone financial information

Risks associated with Defined Benefit Plan:

(i) Interest Rate Risk

A fall in the discount rate which is linked to the government security rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the fair value of the assets depending on the duration of asset.

(ii) Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. The estimates of future salary increases, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(iii) Investment Risk

The Company has invested its funds in group employee benefit plan of Bajaj Allianz where the investment comprises of government securities, corporate bonds/debentures, money market instruments and equity securities. Accordingly, the Company is exposed to related risks based on its exposure to such financial instruments as at reporting date.

(iv) Asset Liability Matching (ALM) Risk

The plan faces the ALM risk as to the matching cash flow. Since the gratuity plan is invested in lines with Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

(v) Mortality Risk

Since the benefits under the plan are not payable for life time and are payable till retirement age only, the plan does not have any longevity risk.

(vi) Concentration Risk

The plan has a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow stringent regulatory guidelines which mitigate risk.

Composition of the fair value of planned assets as at 31 March 2019, includes government securities 58%, money market instruments and fixed deposits 18% and equity securities 24%.

During the year, there were no plan amendments, curtailments and settlements.

Fullerton India Credit Company Limited

Notes to the reformatted standalone financial information

38. Employee stock appreciation rights

The Company has an has cash settled share based payments scheme, under which grants were made as per details provided below:

	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 6A	
Date of Grant	30-Nov-11	01-Apr-13	01-Apr-13	01-Apr-14	01-Apr-15	01-Apr-16	01-Apr-17	01-Apr-18	01-Apr-17	
Value of the Grant	₹556 Lakhs	₹ 678 Lakhs	₹ 711 Lakhs	₹635 Lakhs	₹ 685 Lakhs	₹ 790 Lakhs	₹ 805 Lakhs	₹ 796 Lakhs	₹ 1,290 Lakhs	
Performance Condition	Achievement of Profit before tax (PBT) and Return on Equity (ROE) targets						Achievement	Achievement	Achievement	Achievement of specific targets
	as per approved plan						PAT & ROE targets	PAT & ROE targets		
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on 1st December 2013	Tranche I: 33% vesting on 1st December 2015	Tranche I: 33% vesting on 1st December 2016	Tranche I: 33% vesting on 1st December 2017	Tranche I: 33% vesting on 1st December 2018	Tranche I: 33% vesting on 1st December 2019	Tranche I: 33% vesting on 1st December 2020	Tranche I: 33% vesting on 1st December 2021	Tranche I: 50% vesting on 1st December 2020	
	Tranche II: 33% vesting on 1st December 2014	Tranche II: 33% vesting on 1st December 2016	Tranche II: 33% vesting on 1st December 2017	Tranche II: 33% vesting on 1st December 2018	Tranche II: 33% vesting on 1st December 2019	Tranche II: 33% vesting on 1st December 2020	Tranche II: 33% vesting on 1st December 2021	Tranche II: 33% vesting on 1st December 2022	Tranche II: 50% vesting on 1st December 2021	
	Tranche III: 34% vesting on 1st December 2015	Tranche III: 34% vesting on 1st December 2017	Tranche III: 34% vesting on 1st December 2018	Tranche III: 34% vesting on 1st December 2019	Tranche III: 34% vesting on 1st December 2020	Tranche III: 34% vesting on 1st December 2021	Tranche III: 34% vesting on 1st December 2022	Tranche III: 34% vesting on 1st December 2023	-	
Vesting period (including performance period)	Tranche I: 2 years	Tranche I: 2 years 8 months	Tranche I: 3 years 8 months							
	Tranche II: 3 years	Tranche II: 3 years 8 months	Tranche II: 4 years 8 months							
	Tranche III: 4 years	Tranche III: 4 years 8 months	Tranche III: 5 years 8 months	-						
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of last vesting except for Grant 1 & 6A where period is 3 years									
Method of Settlement	Cash Payout as per terms of the scheme									

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The estimated fair value of the grant at a notional value of ₹ 10 per unit (as at the date of grant) is as below:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 6A
As at 31 March 2019	NA	30.00	30.00	25.84	20.88	16.18	14.47	12.70	14.47
As at 31 March 2018	32.35	23.20	23.20	19.76	15.96	12.54	11.39	NA	11.39
As at 31 March 2017	27.56	19.97	19.97	17.01	13.74	10.89	NA	NA	NA
As at 31 March 2016	24.97	18.22	18.22	15.52	12.54	NA	NA	NA	NA
As at 31 March 2015	19.49	14.53	14.53	12.38	NA	NA	NA	NA	NA
As at 31 March 2014	15.36	11.74	11.74	NA	NA	NA	NA	NA	NA
As at 31 March 2013	12.78	NA	NA	NA	NA	NA	NA	NA	NA
As at 31 March 2012	10.42	NA	NA	NA	NA	NA	NA	NA	NA
Exercise price vest 1	12.78	14.53	18.22	17.01	15.96	NA	NA	NA	NA
Exercise price vest 2	15.36	18.22	19.97	19.76	NA	NA	NA	NA	NA
Exercise price vest 3	19.49	19.97	23.20	NA	NA	NA	NA	NA	NA

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the business and board approved business plan.

The movement of the stock appreciation rights during the year is as under:

Particulars (No. of Options)	31 March 2019	31 March 2018
Options outstanding as at the beginning of the year	26,788,700	23,944,300
Options granted during the year	7,960,000	21,547,500
Options forfeited on resignation of employees	(10,603,055)	(10,160,500)
Options exercised during the year	(2,351,075)	(3,796,475)
Options lapsed during the year	(297,495)	(2,420,000)
Grants of employee transferred during the year to subsidiary company	-	2,326,125
Options Outstanding as at the end of the year	20,600,225	25,582,300
Options vested and exercisable	896,850	1,206,400
Expense recognised (₹ in Lakhs)	795	516

39. Segment Information

Business Segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM regularly monitors and reviews the operating result of the whole Company as one segment of "Financing". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment.

Entity wide disclosures

No revenue from transactions with a single external customer or counterparty amounted to 10% or more of the company's total revenue in year ended 31 March 2019 or 31 March 2018. The Company operates in single geography i.e. India and therefore geographical information is not required to be disclosed separately.

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Notes to the reformatted standalone financial information

40. Contingent Liability and commitments

b) Contingent liabilities:

Description of the Liability	As at 31 March 2019 (₹ in lakhs)	As at 31 March 2018 (₹ in lakhs)
Credit enhancement provided by the Company for the loans under securitisation arrangements (including cash collaterals and interest subordination)	-	289
Contingent liability for litigations pending against the Company	20	20

b) Capital and other commitments

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided for as at 31 March 2019 is ₹ 1,141 Lakhs (31 March 2018: ₹ 1,030 Lakhs).
- (ii) Loans sanctioned not yet disbursed as at 31 March 2019 were ₹ 22,421 Lakhs (31 March 2018: ₹ 2,494).
- (iii) Committed credit lines given to wholly owned subsidiary (FIHFC) as at 31 March 2019 was ₹ Nil Lakhs (31 March 2018: ₹ 10,000 Lakhs).

- c) The Company's pending litigations comprise of claims against the Company by the customers and proceedings pending with other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

There has been a Supreme Court (SC) judgement dated 28th February, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

41. Leases

a) Where the Company is the lessee:

Premises are obtained on operating lease. The lease term ranges from 11 months to 180 months and are renewable/cancellable at the option of the Company. Certain lease agreements contain clause for escalation of lease payments. There are no restrictions imposed by lease arrangements. Lease payments during the year are charged to the Statement of Profit and Loss.

The following table sets forth, for the periods indicated, the details of future rentals payable on operating leases.

Particulars	As at 31 March 2019 (₹ in lakhs)	As at 31 March 2018 (₹ in lakhs)
Operating lease payments recognized during the year	4,343	4,038
Minimum lease obligations		
Not later than one year	4,350	3,696
Later than one year and not later than five years	10,842	9,724
Later than five years	2,760	3,382

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b) Where the Company is the lessor:

The Company has entered into operating lease arrangement for servers which form part of the tangible assets. This lease has a non-cancellable arrangement of 3 years. This lease contains a clause to enable upward revision of the rental charges on an annual basis according to prevailing market conditions.

The following table sets forth, for the periods indicated, the details of future rentals receivable on operating leases where company is a lessor:

Particulars	As at 31 March 2019 (₹ in lakhs)	As at 31 March 2018 (₹ in lakhs)
Operating lease rental recognized during the year	25	35
Minimum lease obligations		
Not later than one year	-	4
Later than one year and not later than five years	-	7
Later than five years	-	-

42. Micro and Small Enterprises

The Company identifies suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) by obtaining confirmations from all suppliers. Based on the information received by the Company, some of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below:

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	52	93
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro small and Medium Enterprise Development Act, 2006.	-	-

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43. CSR Expenses

Gross amount required to be spent by the company is ₹ 875 lakhs for the year ended 31 March 2019 and ₹ 708 lakhs for 31 March 2018.

The details of amounts spent towards CSR are as under :

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
i) Construction / acquisition of any asset		
ii) On purpose other than (i) above		
Amount spent in cash	876	606

The Company's CSR policy is both community and environment- based. Various programmes are planned in areas as diverse as health, educations, livelihood generations, skill developments and rural development.

44. As required by the RBI circular no DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated 2 March, 2012 the details of frauds noticed / reported are as below:

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Amount Involved	1929	119
Amount Recovered	231	37
Amount written off/provided	1698	82
Balance	-	-

45. Events after reporting date

There have been no events after the reporting date that require adjustment or disclosure in these financial statements.

46. Support Service Cost

During the year, the Company leased its premises to its subsidiary, Fullerton India Home Finance Company Limited to carry out its operations. The Company has entered into resource sharing agreement with the subsidiary company, as per which the Company has agreed to share premises and other resources and thereby to facilitate achieve economies of scale and avoid duplication. The reimbursement of cost is calculated on the basis of number of employees, area occupied, time spent by employees for other company, actual identification, etc.

During the year the Company has charged ₹ 1,033 lakhs (31 March 2018; ₹ 795 lakhs) on account of above mentioned arrangement.

47. IRDA

Disclosure as per Schedule VI B for insurance commission income earned during the year ended:

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
ICICI Lombard General Insurance Company Ltd	1,091	856
ICICI Prudential Life Insurance Company Ltd	338	548
Kotak Life Insurance Company Ltd	167	143
HDFC Life	232	-
CIGNA TTK Health Insurance Company Ltd	148	86

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48. There was no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March, 2019 and preceding previous year.

49. During the year the company has utilised MAT credit entitlement of ₹ 5,557 lakhs against provision for current tax of ₹47,986 lakhs (including adjustment of tax relating to earlier periods).

50. Financial risk management

Risk management framework

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company places emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Board of Directors of the Company (BOD) along with the management are primarily responsible for Financial Risk Management of the Company. The BOD's oversight of risk includes review and approval of key risk strategies and policies. These are monitored and governed through the Risk Oversight Committee (ROC). Audit Committee (AC) ensures that an independent assurance is provided to the BOD.

The ROC controls and manages an inherent risks related to the Company's activities by the following risk categories:

Risk	Exposure arising from	Management
Credit Risk	Cash and cash equivalents, bank balance other than cash and cash equivalents, trade & other receivables, financial assets measured at amortised cost	ROC is actively involved in the following: <ul style="list-style-type: none">• Oversight over the implementation of Core Credit Policies and Remedial Management Policies of the Company;• Review of the overall portfolio credit performance of the Company and establishing concentration limits by product programs, collateral types, tenors and customer profile;• Determination of portfolio credit quality by reviewing observed default rates, provisions held, write-offs and status of recoveries from defaulting borrowers; and• Review of product programs and recommending improvements/ amendments thereto.
Liquidity Risk	Financial liabilities	BOD is responsible for setting the strategic direction for the Company. This includes, establishing the liquidity risk appetite and the liquidity required to fulfil its strategic initiatives, setting boundaries/limits within such levels of tolerance and approving the policies that govern risk management under business as usual and stressed conditions. Liquidity risk is managed by the Asset Liability Committee (ALCO), based on the Company's Liquidity Policy and procedures which are based on guidelines provided by ROC. ALCO derives its authority from the ROC and is responsible for ensuring adherence to the liquidity and asset – liability management limits set by the BOD and to oversee implementation of the

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Risk	Exposure arising from	Management
		strategic direction articulated by the BOD. ALCO not only ensures that the Company has adequate liquidity on an on-going basis but also examines how liquidity requirements are likely to evolve under different assumptions.
Market Risk - Foreign Exchange	Recognised financial assets and financial liabilities not denominated in functional currency	ROC is involved in the formulation of policies for monitoring market risk. The risk is managed through close identification, supervision and monitoring of risks arising from movements in market rates such as interest rates, foreign exchange rates, traded prices and credit spreads, which may result in a loss of earnings and capital.
Market Risk - Interest Rate / Dividend Coupon Market Risk - Price	Investments in equity securities, units of mutual funds, bonds, governments securities, certificate of deposits and commercial paper	

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to the financial instrument fails to meet its contractual obligation, and arises principally from the cash and cash equivalents, bank balance other than cash and cash equivalents, trade & other receivables and financial assets measured at amortised cost.

The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk. The ROC reviews and approves Loan Product programs on an on-going basis. Key aspects of the product programs outline the framework of any credit financial product being offered by the Company. Within this established framework, credit policies are established to manage the sourcing of proposals, channels of business acquisition, process of underwriting, information systems involved, credit appraisal, verification, documentation, disbursement and collection / recovery procedures.

Product level credit risk policies are implemented to align all new customer acquisitions across locations and regions, individual profiles, income levels, leverage positions, collateral types and value, source of income and continuity of employment/business.

The Company has additionally taken the following measures:-

- Credit risk team is appointed to enhance focus on monitoring of borrowers and to facilitate proactive action wherever required.
- Enhanced monitoring of portfolio through periodic reviews.
- Periodic trainings to its credit officers

Credit approval

The Board of Directors has delegated credit approval authority to the Company's Credit Committee, Chief Risk Officer / National Credit Manager, Regional Credit Manager and Credit Manager under the Company's Credit Policy. The branch credit team/operations team monitors compliance with the terms and conditions of credit facilities prior to disbursement. It also reviews the completeness of documentation and creation of security by the borrower.

The central operations team verifies adherence to the terms of the credit approval prior to the disbursement of credit facilities.

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Credit underwriting

The Company's credit officers evaluate credit proposals on the basis of credit underwriting policies and procedures approved by the management. The criteria typically include factors such as the customer eligibility, income and debt obligation assessment, nature of product, customer scorecards wherever applicable, historical experience, type of collateral provided and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a due diligence process including visits to offices and residences, risk containment agencies for document frauds, legal & valuer agencies for property evaluation.

Analysis of risk concentration

Since the Company provides only retail loans, there is not significant concentration risk at the borrower / counterparty level. The maximum loan outstanding to any individual borrower or counterparty as of 31 March 2019 was ₹ 1929 lakhs, before taking into account collateral or other credit enhancements or undisbursed commitments.

Stress testing of portfolio

The Company evaluates potentially adverse scenarios that may impact the business or portfolio performance. Annual stress test exercise covering the entire portfolio is performed to assess vulnerability of the business extreme scenarios to possible extreme scenarios and effectiveness of management actions. The assessed impact is incorporated into risk appetite of the Company to ensure regulatory compliance.

Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, bank balance other than cash and cash equivalents, trade and other receivables and financial assets measured at amortised cost.

Particulars	As at March 31, 2019 (₹ in lakhs)	As at March 31, 2018 (₹ in lakhs)
Maximum exposure to credit risk	2,164,559	1,611,143

Analysis of inputs to the ECL model under multiple economic scenarios

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows which the Company expects to receive) discounted at an approximation to the EIR.

Cash shortfalls are identified as follows.

- For 12-month ECLs: Cash shortfalls resulting from default events that are possible in the next 12 months.
- For lifetime ECLs: Cash shortfalls resulting from default events that are possible over the expected life of the financial instrument.

For undrawn loan commitments, a cash shortfall is the difference between:

- the contractual cash flows that are due to the Company if the holder of the loan commitment draws down the loan; and
- the cash flows that the Company expects to receive if the loan is drawn down.

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The Company records allowance for expected credit losses for cash and cash equivalents, bank balance, investment, trade and other receivables, loans and advances together with loan commitments and other financial assets measured at amortised cost, collectively named as 'financial assets'.

The Company performs a collective assessment on a homogeneous pool of outstanding loans grouped on the basis of shared risk characteristic based on the type of products sliced down to geography as part of the impairment analysis.

For estimation of ECL, the entire portfolio is broadly partitioned into products like Personal Loans, Business Loan, Commercial Vehicle Loan, Loan against property and Group Loans. Products are further segregated on geography level and sectors. This portfolio is used to arrive exposure at Default, Probability of default and Loss given default.

The Company follows the expected credit loss (ECL) methodology based on historically available information and projection of macroeconomic indicators in order to determine the impairment allowance required against different categories / pool of loan accounts.

All defining parameters (PD, LGD, EL Adjustment factor) are estimated on a half yearly frequency. However, required changes may be done more frequently in case of change in market condition, portfolio changes and other scenarios.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since its initial recognition, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

The 12mECL is part of LTECL that represent the ECLs from default events on a financial asset that are possible within the 12 months after the reporting date.

Definition of Default

As per the Company's policy, all assets are classified into stage 1, stage 2 and stage 3. Assets up to 29 DPD (days past due) are classified as stage 1 assets. Assets with DPD of 30 days up to 89 days are classified as stage 2 assets and assets with DPD greater than 90 days are classified as stage 3 assets. The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers an exposure to have significantly increased in credit risk since initial recognition when contractual payments are more than 29 days past due. The Company also applies a qualitative method for triggering a significant increase in credit risk for an asset. This will be the case for exposure that meets certain heightened risk criteria, such as political situations and exceptions to normal economic scenarios. Such factors are based on its expert judgement and relevant historical experiences.

The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

The Company collects performance and default information about its credit risk exposures analysed by Product and geography. The Company employs statistical models of flow analysis and marginal default rate technique to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

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The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities and accrued interest whether due or not.

The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due (net of recovery cost) and those that the lender would expect to receive. They are calculated on a discounted cash flow basis using the effective interest rate as the discounting factor. It is usually expressed as a percentage of the EAD.

The Company collects list of all the defaulters and tracked from the first time they become non-performing asset ("Stage 3"). The Company calculates the LGD based on the present value of month on month recovery post default for Stage 1 and 2 and takes into account of the Stage 3 recovery and present value of the actual Stage 3.

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

EL Adjustment Factor is factor used to adjust the ECL computation to eliminate the biasness in different ticket size and number of loan accounts considering the nature of business/products.

Forward Looking Information

In its ECL models, the Company relies on a broad range of forward looking information as macro- economic inputs, such as:

- a) Gross Domestic Product growth
- b) Personal Disposable Income growth
- c) Consumer Price Index growth & average
- d) Lending Interest Rate
- e) Gross National Savings

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The following pool of macro parameters have been considered for selection for estimated PD.

Gross Domestic Product Growth

Base	Range
Growth in 2019 is 1.01 times of 2018 (7.3% - 7.4%)	Growth in 2019 is 0.91 to 1.12 times of 2018 (6.66% - 8.14%)
Growth in 2018 is 1.10 times of 2017 (6.7% - 7.3%)	Growth in 2018 is 0.99 to 1.21 times of 2017 (6.57% - 8.03%)

Personal Disposable Income Growth

Base	Range
Growth in 2019 is 1.31 times of 2018 (5.4% -7.1%)	Growth in 2019 is 1.18 to 1.45 times of 2018 (6.39% - 7.81%)
Growth in 2018 is 0.82 times of 2017 (6.6% -5.4%)	Growth in 2018 is 0.74 to 0.9 times of 2017 (4.86% - 5.94%)

Consumer Price Index (average)

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Base	Range
Growth in 2019 is 1.05 times of 2018 (138.8 – 143.4)	Growth in 2019 is 0.93 to 1.14 times of 2018 (129.06 – 157.74)
Growth in 2018 is 1.04 times of 2017 (133.5 – 138.8)	Growth in 2018 is 0.94 to 1.14 times of 2017 (124.89 – 152.64)

Lending interest rate (one year period)

Base	Range
Growth in 2019 is 0.99 times of 2018 (9.5% - 9.4%)	Growth in 2019 is between 0.89 to 1.09 times of year 2018 (8.46% - 10.34%)
Growth in 2018 is 1.0 times of 2017 (9.5% - 9.5%)	Growth in 2018 is between 0.90 to 1.1 times of year 2017 (8.55% - 10.4%)

Consumer Price Index % Growth

Base	Range
Growth in 2019 is 0.84 times of 2018 (4.0% - 3.3%)	Growth in 2019 is 0.75 to 0.92 times of 2018 (2.97% - 3.63%)
Growth in 2018 is 1.19 times of 2017 (3.3% - 4.0%)	Growth in 2018 is 1.07 to 1.3 times of 2017 (3.56% - 4.35%)

Gross National Savings Growth

Base	Range
Growth in 2019 is flat compared to 2018 (29.6% - 29.6%)	Growth in 2018 is 0.90 to 1.10 times 2017 (26.64% - 32.56%)
Growth in 2018 is 1.08 times of 2017 (27.4% - 29.6%)	Growth in 2018 is 0.97 to 1.19 times 2017 (26.64% - 32.56%)

Range as defined above is computed in range of 10% upside and downside of the macro parameters.

Reconciliation of ECL balances in given below :

Particulars	As at March 2019 (₹ in lakhs)			As at March 2018 (₹ in lakhs)		
	12 Month ECL	Life time ECL	Total	12 Month ECL	Life time ECL	Total
ECL allowance - opening balance	31,987	16,604	48,591	38,771	25,130	63,901
New assets originated or purchased	29,358	35,612	64,970	27,552	36,748	64,301
Assets derecognised or repaid* (excluding write offs)	(735)	(15,637)	(16,372)	(16,591)	(17,264)	(33,855)
Transfers to Stage 1	2,202	(2,202)	-	2,123	(2,123)	-
Transfers to Stage 2	(1,128)	1,128	-	(1,080)	1,080	-
Transfers to Stage 3	(519)	519	-	(561)	561	-
Amounts written off	(17,183)	(13,438)	(30,621)	(18,226)	(27,529)	(45,756)

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ECL allowance - closing balance	43,982	22,586	66,568	31,987	16,604	48,591
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* ECL derecognised includes ECL realised on account of assignment

Credit Quality

The Company has classified portfolio loans as financial assets at amortized cost and has assessed it at the collective pool level. The vintage analysis methodology has been used to create the PD term structure which incorporates both 12 month (Stage 1 Loans) and lifetime PD (Stage 2 and stage 3 Loans). The vintage analysis captures a vintage default experience across a particular portfolio by tracking the periodic slippages. The vintage slippage experience/default rate is then used to build the PD term structure.

The vintage analysis methodology has been used to create the LGD vintage. The LGD vintage takes into account the recovery experience across accounts of a particular portfolio post default. The recoveries are tracked and discounted to the date of default using the effective interest rate.

Accordingly, the Company analysis exposure to credit risk on the basis of vintage experience across its products. The Company categorizes its loans into Stage 1, Stage 2 and Stage 3 based on vintage experience.

	As at March 2019 (₹ in lakhs)				As at March 2018 (₹ in lakhs)			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	14,94,096	35,093	32,222	15,61,411	10,32,103	48,922	46,844	11,27,869
New assets originated or purchased	9,58,230	(362)	(585)	9,57,283	9,08,229	(3,143)	(2,730)	9,02,356
Assets derecognised/repaid/recovery (excluding write offs)	(3,34,312)	(7,229)	(6,888)	(3,48,429)	(3,76,197)	(8,558)	(7,995)	(3,92,750)
Transfers to Stage 1	8,938	(5,224)	(3,714)	-	6,416	(4,355)	(2,061)	-
Transfers to Stage 2	(37,518)	38,250	(732)	-	(33,182)	33,785	(603)	-
Transfers to Stage 3	(18,463)	(9,144)	27,607	-	(16,725)	(8,998)	25,723	-
Amounts written off	(23,949)	(8,549)	(12,813)	(45,311)	(26,548)	(22,560)	(26,956)	(76,064)
Closing balance	20,47,022	42,835	35,097	21,24,954	14,94,096	35,093	32,222	15,61,411

*includes assets assigned and recovery

Trade receivables

Exposures to customers' outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. Company creates ECL on trade receivable balances in line with board's approved provisioning policy.

Cash and cash equivalents, other bank balance and other financial assets

The Company has a low credit risk in respect of its exposure with financial institutions and other financial assets. Funds are invested after taking into account parameters like safety, liquidity and post tax returns etc. The Company avoids concentration of credit risk by spreading them over several counterparties with good credit rating profile and sound financial position. The Company's exposure and credit ratings of its counterparties are monitored on an ongoing basis.

The Company holds cash and cash equivalents and other bank balances with banks and financial institutions. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.

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While exposure with respect to security deposit and advance given for business purpose is spread across and carry low credit exposure as the Company has possession of rental premises and other with whom the Company has worked with for a number of years.

Write off policy

The Company has laid down explicit policies on loan write-offs to deal with assets which are impaired due to customer's inability to repay the loan beyond a timeline. Unsecured products are written-off at 120 Days Past Due, Commercial Vehicle Loans are written-off in 360 Days Past Due and Loan against Property is written-off at 720 Days Past Due.

Collateral management and associated risks

The Company holds collateral like Vehicle, residential, commercial land & building against certain of its secured portfolio loans such as Commercial Vehicle Loans, Loan against Properties, Developer funding and Loan against shares..

The Company has a collateral management system to address the risks associated in the mortgage business. Onsite inspections by independent experts are carried out to satisfy that the value of the collateral is sufficient to cover the associated credit risk and that the claim on property is legally enforceable. Credit policy guidelines clearly specify Loan to value (LTV) ratios and ensures a maximum permissible limit on exposure in any collateral backed funding. This takes care of any revaluation or depreciation in value of asset due to unforeseen circumstances.

The Collection team follows up with the customers through field visits as well as through telecommunication for payment of over dues. Collection team is also responsible for initiating legal action including repossession and selling of collaterals. In its normal course of business, the Company does not physically repossess properties in its retail portfolio. For other collaterals the Company liquidates the assets and recovers the amount due against the loan. Negotiations with customers with respect to settlement of loans are also carried out by the authorised personnel from collection team. Any surplus funds are returned to the customers/obligors.

An estimate of the lower of fair value of collateral and other security enhancements held and carrying amounts of the financial assets as at the reporting date is shown below. This excludes the value of collateral and other security enhancements that are determined not to be enforceable (legally or practically) by the Company.

As at 31 March 2019 (₹ in lakhs)	Maximum exposure to credit risk	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associ ated ECLs
Financial Assets							
Cash & cash equivalents	71,725	-	-	-	-	71,725	-
Loans & Advances (gross)*	2,156,205	153,777	1,722,733	737	1,877,247	278,958	66,568
Trade receivables	690	-	-	-	-	690	-
Financial Assets at FVTPL	133,714	-	-	-	-	133,714	-
Other financial asset	2,507	-	-	-	-	2,507	-
Total Financial Asset	2,364,841	153,777	1,722,733	737	1,877,247	487,594	66,568

*Includes unsecured loans valued ₹ 1,325,008 lakhs

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As at 31 March 2018 (₹ in lakhs)	Maximum exposure to credit risk	Vehicle	Land & building	Securities	Total Collateral	Net Exposure	Associated ECLs
Financial Assets							
Cash & cash equivalents	77,770	-	-	-	-	77,770	-
Loans & Advances(gross)*	1,579,328	119,908	1,319,506	-	1,439,414	139,914	48,593
Trade receivables	726	-	-	-	-	726	-
Financial Assets at FVTPL	47,689	-	-	-	-	47,689	-
Other financial asset	1,912	-	-	-	-	1,912	-
Total Financial Asset	1,707,425	119,908	1,319,506	-	1,439,414	268,011	48,593

*Includes unsecured loans valued ₹ 920,377 lakhs

The value of the collateral for residential & commercial mortgage loans is based on the collateral value at origination. For credit-impaired loans the value of collateral is based on the most recent appraisals. Collateral value for Vehicles for credit –impaired loans are value arrived basis grid model of vehicles which consider model of vehicles, age, make, manufacturer etc.

The below tables provide an analysis of the current fair values of collateral held and credit enhancements for stage 3 assets. Dependent on the level of collateral, some Stage 3 exposures may not have individual ECLs when the expected value of the collateral is greater than the LGD, even if the future value of collateral is forecast using multiple economic scenarios. However, the Stage 3 ECL can be higher than net exposure when the future value of collateral, measured using multiple economic scenarios, is expected to decline.

Fair value of collateral and credit enhancements held under the base case scenario

	Maximum exposure to credit risk	Commercial Vehicle	Land & building	Total Collateral	Net Exposure	Associated ECLs
As at 31 March 2019	42,679	3,542	43,748	47,290	(4,611)	21,735
As at 31 March 2018	37,869	2,337	50,841	53,178	(15,309)	15,939

(₹ lakhs)

Liquidity Risk

Liquidity risk is the risk that the Company, though solvent, either does not have sufficient financial resources available to meet its obligations as they fall due, or can secure them only at excessive costs. Liquidity risk management involves estimating and managing the liquidity requirements of the Company within acceptable structural boundaries and in a cost-efficient manner, and involves the Board and senior management's development and oversight of a comprehensive process that identifies, measures, monitors and controls the Company's liquidity risk exposure.

The Company maintains a reliable management information system designed to provide the senior management with timely and forward-looking information on the liquidity position of the Company. In terms of actions, the Company's liquidity risk management policy is guided by the following principles:

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1. Lender diversification demonstrated by an increase in lenders, across instruments (bank finance, bonds, money market instruments, sell down of loan portfolio of loan portfolio) and liquidity pools (banks, mutual funds, insurance companies, pension funds, foreign portfolio investors)
2. Matching of asset and liability tenor
3. Maintenance of adequate liquidity buffer as per internal policy
4. Structural liquidity mismatch

Tools to manage Liquidity Risk

The Company manages its liquidity risk through liquidity gap analysis, monitoring concentration limits (tenor, counterparty and instrument type) and liquidity ratios.

Projected rolling cash flow for the next 6 months is prepared which provides a gap analysis of expected cash inflow and outflow on a given date. Treasury is responsible to prepare a suitable funding plan based on the cash flow.

Single lender limit, single financial instrument or category limit and negative gap mismatches are monitored on a monthly basis to ensure these are within the policy limits.

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and by having access to funding through an adequate amount of committed credit lines. The Company maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due.

Analysis of financial liabilities by remaining contractual maturities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities for which the contractual maturities are essential for an understanding of the timing of the cash flows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(₹ lakhs)

As at 31 March 2019	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities				
Trade payables	5,232	-	-	5,232
Borrowings other than debt securities*	456,334	568,817	2,588	1,027,739
Debt Securities#	268,913	908,934	110,090	1,287,937
Other financial liabilities	80,053	1,807	-	81,860

(₹ lakhs)

As at 31 March 2018	Within 1 year	1 to 5 years	After 5 years	Total
Financial liabilities				
Trade payables	5,202	-	-	5,202
Borrowings other than debt securities*	313,353	438,569	-	751,922
Debt Securities#	191,739	637,776	48,600	878,115
Other financial liabilities	67,117	1,520	-	68,637

* The interest payments on variable interest rate loans in the table above reflect interest rates at the reporting date and these amounts may change as market interest rates change.

#Debt Securities includes subordinated liabilities

Fullerton India Credit Company Limited

Notes to the reformatted standalone financial information

Financing arrangement

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(₹ lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Expiring within one year	2,71,500	2,18,495
Expiring beyond one year (term loan)	-	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to maintenance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in ₹ and have an average maturity of 1 year (2018 : 1 year).

Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

Currency risk

The Company has insignificant amount of foreign currency denominated assets and liabilities. Accordingly, there is no significant exposure to currency risk.

Price risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables whether caused by factors specific to an individual investment, its issuer and market.

To manage its price risk arising from investments, the Company has invested in the mutual fund after considering the risk and return profile of the mutual funds i.e. the debt profile of the mutual fund indicates that the debt has been given to creditworthy banks and other institutional parties and equity investment is made after considering the performance of the stock.

The Company's exposure to price risk arises from investments in unlisted equity securities (other than investment in subsidiary company), debt securities, units of mutual funds, which are classified as financial assets at Fair Value through Profit and Loss and amounts to as follows:

(₹ lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Exposure to price risk	1,33,714	47,689

Sensitivity analysis

The table below sets out the effect on profit or loss due to reasonable possible weakening / strengthening in prices of 5% :

	Effect on profit or loss (₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Impact on profit before tax for 5% increase in prices	(1,114)	(397)
Impact on profit before tax for 5% decrease in prices	1,114	397

Fullerton India Credit Company Limited

Notes to the reformatted standalone financial information

Interest rate risk

The interest rate risk is the vulnerability of the Company's financial condition to adverse movements in market interest rates. It corresponds to the potential effects of interest rate changes on the Company's profitability, in particular net interest income. Exposure to this risk primarily results from timing spread in the re-pricing of both on and off-balance sheet assets and liabilities as they mature (fixed rate instruments) or contractual re-pricing (floating rate instruments). The objective of interest rate risk policy is to establish boundaries on interest rate risk exposure for the Company and the governance and monitoring policies for interest rate risk management.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Fixed rate borrowings		
Debt Securities*	978,370	648,930
Borrowings	215,424	149,296
Variable rate borrowings	700,343	546,292
Total borrowings	1,894,137	1,344,518

*Debt Securities includes subordinated liabilities

The following metrics are employed for measurement of interest rate risks:

- Repricing Gap analysis – measured by calculating gaps over different time intervals as at a given date, and measures mismatches between rate sensitive liabilities and rate sensitive assets (including off-balance sheet positions).
- Sensitivity analysis – interest rate sensitivity is monitored as per interest rate simulations, viz. potential loss due to an adverse movement in interest rates of 100 bps for mismatch up to 1 year.

Sensitivity analysis

	Effect on profit or loss (₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Impact on profit before tax of 100 bps increase in interest rate	(7,003)	(5,463)
Impact on profit before tax of 100 bps decrease in interest rate	7,003	5,463

Financial Instrument

a. Classification and Fair Values of Financial Assets & Liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at reporting date :

	As at 31 March 2019 (₹ lakhs)		As at 31 March 2018 (₹ lakhs)	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets:				
Cash and cash equivalent	-	20,060	-	24,249
Bank balances other than cash and cash equivalent	-	51,665	-	53,521
Trade Receivables	-	690	-	726
Loans and advances to customers	-	20,89,638	-	15,30,735

Fullerton India Credit Company Limited

Notes to the reformatted standalone financial information

Investments (other than investment in subsidiaries)	1,33,714	-	47,689	-
Other financial assets	-	2,506	-	1,912
Total financial assets	1,33,714	21,64,559	47,689	16,11,143
Financial liabilities:				
Trade payables	-	5,232	-	5,202
Debt securities*	-	1,051,921	-	714,369
Borrowing other than debt securities	-	8,85,479	-	6,68,072
Other financial liabilities	-	81,860	-	68,637
Total financial liabilities	-	2,024,492	-	14,56,280

*Debt Securities includes subordinated liabilities

Fair Value of cash and cash equivalents, bank balances other than cash and cash equivalent, trade receivables, loans and advances to customers, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

b. Fair value hierarchy

As per Ind AS 107, 'Financial Instruments: Disclosures', the fair values of the financial assets or financial liabilities are defined as the price that would be received on sale of asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the Ind AS 107. An explanation of each level follows underneath the table.

The hierarchy used is as follows :

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

a) Financial assets (other than investment in subsidiaries) measured at FVTPL at each reporting date

Particulars	Level 2	
	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Investment (Other than investment in Subsidiary)	133,714	47,689
Total	133,714	47,689

b) Financial assets (other than investment in subsidiaries) and liabilities measured at amortized cost at each reporting date

Fullerton India Credit Company Limited

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Particulars	As at 31 March 2019 (₹ lakhs)		
	Carrying Value	Fair value	
		Level 2	Level 3
Financial assets measured at amortised cost			
Loans and advances to customers *	2,156,206	-	2,178,945
Other financial assets	2,506	-	2,807
Total	2,158,712	-	2,181,752
Financial liabilities measured at amortised cost			
Debt securities#	1,051,921	-	1,051,796
Borrowing other than debt securities	885,479	-	885,479
Total	1,937,400	-	1,937,275

Particulars	As at 31 March 2018 (₹ lakhs)		
	Carrying Value	Fair value	
		Level 2	Level 3
Financial assets measured at amortised cost			
Loans and advances to customers *	1,579,328	-	1,641,742
Other financial assets	1,912	-	2,013
Total	15,81,240	-	16,43,755
Financial liabilities measured at amortised cost			
Debt securities#	714,369	-	718,730
Borrowing other than debt securities	668,072	-	668,071
Total	1,382,441	-	1,386,801

*Gross value of portfolio loans

#Debt Securities includes subordinated liabilities

Fair value of financials assets and financial liabilities at amortized cost (i.e., Loans and advances to customers, Other financial assets, Debt securities, Borrowing other than debt securities) is calculated on pool basis at present values of future cash flows over expected tenure of financial instruments.

Following discounting factor are used for calculation of fair values:

Particulars	Discounting factors
Loans and advances to customers	Average loan boarding rate for respective product for recent four months as at reporting date
Other financial assets, Debt securities, Borrowing other than debt securities	Average cost of funds as at reporting date

Valuation techniques used to determine fair value

Each class of financial assets	Techniques
Government securities	The fair value is determined by applying direct quotes available from the active market for such securities.
Units of mutual funds	Net Asset Value (NAV) declared by the mutual fund at which units are issued or redeemed

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Notes to the reformatted standalone financial information

Certificate of Deposits	The fair value for such securities is determined by applying benchmark quotes for such securities published by market aggregators on daily basis for relevant maturities.
Equity shares	Discounted cash flow based on present value of the expected future economic benefit and fair value as determined by the management based on MIS review, audited financial statements and information available in public domain

In order to assess Level 3 valuations as per Company's investment policy, the management reviews the performance of the investee companies on a regular basis by tracking their latest available financial statements / financial information, valuation report of independent valuers, recent transaction results etc. which are considered in valuation process.

The finance department of the Company includes the team that performs the valuation of financial assets and liabilities required for financial reporting purposes, including level 3 fair value. Discussions on valuation processes and results are held between the valuation team and the senior management at least once every six months which is in line with the Company's half yearly reporting periods.

51. Maturity Analysis of Assets and Liabilities

Assets	As at 31 March 2019 (₹ lakhs)			As at 31 March 2018 (₹ lakhs)		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial Assets						
Cash and cash equivalents	20,060	-	20,060	24,249	-	24,249
Bank balances other than cash and cash equivalents	51,665	-	51,665	53,521	-	53,521
Trade receivables	690	-	690	726	-	726
Loans and advances	7,62,565	13,27,073	20,89,638	4,93,322	10,37,413	15,30,735
Investments	1,32,239	59,436	1,91,675	47,584	43,066	90,650
Other financial assets	161	2,345	2,506	610	1,302	1,912
Non Financial assets						
Current tax assets	2,205	-	2,205	2,335	-	2,335
Deferred tax asset (net)	-	22,717	22,717	-	22,198	22,198
Property, plant and equipment	-	7,166	7,166	-	4,812	4,812
Intangibles assets	-	3,180	3,181	-	2,254	2,254
Intangibles assets under development	138	-	138	349	-	349
Other non financial assets	-	5,867	5,867	-	3,915	3,915
Assets held for sale	-	-	-	-	-	-
Total Assets	9,69,723	14,27,784	23,97,507	6,22,696	11,14,960	17,37,656
Liabilities						
Financial liabilities						
Trade payables	5,232	-	5,232	5,202	-	5,202
Debt Securities*	1,98,356	8,53,565	10,51,921	90,776	6,23,593	7,14,369
Borrowings	3,86,468	4,99,011	8,85,479	2,81,761	3,86,311	6,68,072
Other financial liabilities	80,053	1,807	81,860	67,117	1,520	68,637

Fullerton India Credit Company Limited**Notes to the reformatted standalone financial information**

	As at 31 March 2019 (₹ lakhs)			As at 31 March 2018 (₹ lakhs)		
Non-Financial liabilities						
Current tax liabilities	1,929	-	1,929	4,090	-	4,090
Provisions	-	665	665	-	30	30
Other Non-Financial liabilities	5,234	-	5,234	4,156	-	4,156
Equity						
Equity share capital	-	2,01,150	2,01,150	-	1,98,007	1,98,007
Other equity	-	1,64,037	1,64,037	-	75,093	75,093
Total liabilities	6,77,272	17,20,235	23,97,507	4,53,102	12,84,554	17,37,656

*Debt Securities includes subordinated liabilities

Fullerton India Credit Company Limited

Notes to the reformatted standalone financial information

52. As required by the RBI circular no. DNBS.CO.PD.No. 367/03.10.01/2013-14 dated 23 January 2014, the details of accounts restructured during the year ended 31 March 2019 are given below:

(₹ lakhs)

N o	Type of restructuring	Restructuring Account as on 31 March 2018			Fresh restructuring during the year			Downgradations of Restructured accounts during the FY			Write-offs/sale/Recovery/of Restructured A/cs during the FY			Restructured accounts as on 31 March 2019		
		Asset Classification	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding as at 31 March 2018	Provision thereon	No of borrowers	Amount outstanding as at 31 March 2018	Provision thereon	No of borrowers	Amount outstanding	Provision thereon	No of borrowers	Amount outstanding	Provision thereon
1	CDR															
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	1	262	262	-	-	-	1	262	262	-	-	-	-	(0)	(0)
	Doubtful	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Loss	-	-	-	-	-	-	(1)	(262)	(262)	-	-	-	1	262	262
	Total	1	262	262	-	-	-	-	-	-	-	-	-	1	262	262
2	Others															
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Doubtful	1	2,115	1,057	-	-	-	-	-	-	-	498	249	1	1,617	808
	Loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	1	2,115	1,057	-	-	-	-	-	-	-	498	249	1	1,617	809
3	Grand Total															
	Standard	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Substandard	1	262	262	-	-	-	1	262	262	-	-	-	-	(0)	(0)
	Doubtful	1	2,115	1,057	-	-	-	-	-	-	-	498	249	1	1,617	808
	Loss	-	-	-	-	-	-	(1)	(262)	(262)	-	-	-	1	262	262
	Total	2	2,377	1,319	-	-	-	-	-	-	-	498	249	2	1,879	1,070

1. The outstanding amount and number of borrowers as at 31 March 2019 is after considering recoveries and sale of assets during the year.
2. The above table pertains to advances and does not include investment in shares which have been fully provided for.
3. The provision in the above table includes general loan loss provision and other provisions held on the restructured advances.
4. For the purpose of arithmetical accuracy as required by circular, movement in provisions in the existing restructured account as compared to opening balance is disclosed under column fresh restructuring (for increase in provision) and write-off/sale/recovery (for decrease in provision) during the year and are not comparable with the additional facilities availed and partial recovery disclosed under the respective columns.

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Notes to the reformatted standalone financial information

ADDITIONAL DISCLOSURES REQUIRED BY RBI

53. The Company is required to provide additional disclosures in financial statements as required by the RBI circulars. As the Company has moved to Ind AS accounting framework, such additional disclosures are compiled using Ind AS numbers. The comparative numbers for previous years have also been re-casted using Ind AS numbers.

i) Capital to Risk Assets Ratio ('CRAR')

Particulars	As at March 31, 2019 %	As at March 31, 2018 %
CRAR (%)	19.64%	18.82%
CRAR - Tier I Capital (%)	14.16%	14.03%
CRAR - Tier II Capital (%)	5.48%	4.78%
Amount of subordinated debt raised as Tier-II capital (₹ lakhs)	1,04,910	69,100

ii) Details of investments with movement in provision for depreciation

Particulars	As at March 31, 2019 (₹ lakhs)	As at March 31, 2018 (₹ lakhs)
Value of Investments		
Gross Value of Investments		
In India	1,91,866	90,741
Outside India,	-	-
Provisions for Impairment		
In India	191	91
Outside India,	-	-
Net Value of Investments		
In India	1,91,675	90,650
Outside India	-	-
Movement of provisions held towards depreciation on investments		
Opening balance	91	91
Add : Provisions made during the year	100	-
Less : Write-off / write-back of excess provisions during the year	-	-
Closing balance	191	91

iii) Derivatives

The Company has not entered into any forward rate agreements, interest rate swaps, exchange traded interest rate derivatives. Hence, no disclosure is made for the same.

iv) Securitization

a) During the year Company has not transferred any loans through securitization. The information on securitization activity of the Company as an originator is given below:

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Total number of Portfolio Loans securitised		

Fullerton India Credit Company Limited

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Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
	-	-
Total book value of the Portfolio Loans securitised	-	-
Total book value of the loans securitised including loans placed as collateral	-	-
Sale consideration received for the Portfolio Loan securitised	-	-
Excess interest spread recognised in the statement of profit and loss	2	41

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Credit enhancements provided and outstanding (Gross):		
Interest subordination	-	2
Cash Collateral	-	247
Corporate Guarantee	-	40

The information on securitization of the Company as an originator in respect of outstanding amount of assets securitized under par structure is given below:

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
No. of SPVs Sponsored by the NBFC for securitization transactions	-	1
Total Amount of securitized assets as per books of the SPVs sponsored by the NBFC	-	218
Total amount of exposures retained by the company to comply with MRR as on the date of balance sheet	-	-
a) Off-balance sheet exposures		
First loss	-	-
Others	-	-
b) On-balance sheet exposures		
First loss	-	-
Others	-	247
Amount of exposures to securitisation transactions other than MRR		
a) Off-balance sheet exposures		
i) Exposure to own Securitisation		
First loss	-	-
Others	-	40
ii) Exposure to third party Securitisation transactions		
First loss	-	-

Fullerton India Credit Company Limited

Notes to the reformatted standalone financial information

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Others	-	-
b) On-balance sheet exposures		
i) Exposure to own securitisation		
First loss	-	-
Others	-	-
ii) Exposure to third party Securitisation transactions		
First loss	-	-
Others	-	-

b) Assignment

Details of Assignment transactions Undertaken by the Company during the year

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
No. of accounts	428	-
Aggregate value (net of provisions) of accounts sold	21,535	-
Aggregate consideration	21,535	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain / loss over net book value*	1,134	-

*upfront gain recongised under Ind AS

v) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities:

As at 31st March 2019

(₹ lakhs)

Particulars	Up to 30/31 days	Over 1 month upto 2 Months	Over 2 months upto 3months	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances*	86,419	65,827	65,353	1,95,842	3,51,667	7,29,211	3,19,617	2,75,701	20,89,638
Investments	47,615	-	-	19,211	65,412	-	-	59,436	1,91,675
Borrowings	34,896	36,792	96,927	1,46,289	2,75,352	9,41,774	3,19,548	85,822	19,37,401

* Advances are net of provision at amortized cost

As at 31st March 2018

(₹ lakhs)

Particulars	Up to 30/31 days	Over 1 month upto 2 Months	Over 2 months upto 3month s	Over 3 months & up to 6 months	Over 6 Months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Advances*	54,061	41,002	40,608	1,23,326	2,34,325	5,53,583	2,19,178	2,64,651	15,30,735
Investments	-	-	-	19,452	28,133	-	-	43,065	90,649
Borrowings	19,221	12,795	76,597	78,628	1,85,297	6,48,824	3,11,245	49,835	13,82,441

* Advances are net of provision at amortized cost

Fullerton India Credit Company Limited

Notes to the reformatted standalone financial information

vi) Exposures

a) Exposure to real estate sector

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Direct exposure		
Residential Mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	16,223	11,388
Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-
Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	-	-
a) Residential	-	-
b) Commercial Real Estate	-	-
Total Exposure to Real Estate Sector	16,223	11,388

The Company provides loans which are fully collateralized against property, in accordance with the approved policy of the Company which includes credit assessment of financial statements and cash flow of the customers. The end use of the loan may be business in the case of business customers or could be personal in case of salaried individuals. Accordingly, there is no direct real estate exposure except as disclosed above.

b) Exposure to capital market

The Company has exposure to the capital markets directly or indirectly. Details as below :

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	300	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-

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Notes to the reformatted standalone financial information

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	300	-

c) Details of financing of parent company products

The Company does not finance any of its holding/parent company products.

d) Details of financing of parent company products

The Company has not lent / invested / lent and invested in any borrower / group of borrower in excess of limits prescribed by the RBI.

e) Unsecured advances

Refer note number 7 for unsecured advances. The Company has not given any advances against the rights, licenses, authorizations, etc.

f) Details of non-performing financial assets purchased / sold

I. Details of non performing financial assets purchased during the year:

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
No. of accounts purchased during the year		
Aggregate outstanding	NIL	NIL
Of these, number of accounts restructured		
Aggregate outstanding		

II. Details of non performing financial assets sold:

Particulars	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
No. of accounts sold during the year (No.)	-	1,59,510
Aggregate outstanding	-	-
Aggregate consideration received	-	1,175

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Notes to the reformatted standalone financial information

vii) Registration with other financial sector

Name of Regulator	Status	Registration Details
Insurance Regulatory and Development Authority (IRDA)	Corporate Agent	License No. CA0098 Valid till March 31, 2022

viii) No penalties were imposed by RBI and other regulators during the current and previous year.

ix) Refer note 35.2 for related party transactions during the current and previous year.

x) Ratings assigned by credit rating agencies and migration of ratings during the year

Particulars	For the year ended 31 March 2019				For the year ended 31 March 2018		
	ICRA	INDIA RATING	CARE	CRISIL	ICRA	INDIA RATING	CARE
Non convertible debentures/ Sub debt	ICRA AAA	IND AA+	CARE AAA	CRISIL AAA	ICRA AA+	IND AA+	CARE AAA
	with Stable Outlook	with Stable Outlook	with stable outlook	with stable outlook	with Stable Outlook	with Stable Outlook	with stable outlook
Term Loan	ICRA AAA	-	CARE AAA	CRISIL AAA	ICRA AA+	IND AA+	CARE AAA
	with Stable Outlook	-	with stable outlook	with stable outlook	with Stable Outlook	with Stable Outlook	with stable outlook
Short term debt/Commercial paper	ICRA A1+	IND A1+	CARE A1+	CRISIL A1+	ICRA A1+	IND A1+	CARE A1+
Company Ratings	ICRA AAA	IND AA+	-	CRISIL AAA	ICRA AA+	IND AA+	-
	with Stable Outlook	with Stable Outlook	-	with stable outlook	with Stable Outlook	with Stable Outlook	-

LT - Long Term	ST - Short Term
NCD - Non Convertible Debenture	SD - Subordinated Debt
CP - Commercial paper	TL - Term Loan
STD - Short Term Debt	PTC - Series A PTC's

There were no migrations of ratings during the year. All ratings are subject to annual surveillance.

xi) Net Profit or Loss for the period, prior period items and changes in accounting policies.

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2018, with a transition date of 1st April, 2017. These financial statements are prepared under Ind AS for the period ended 31 March, 2019. Previous year number for the corresponding period has been restated accordingly. Revenue has been recognized in accordance with the revenue recognition policy of the Company and there are no deviations to the same (refer Note 1.C).

xii) Break up of 'Provisions and Contingencies' shown under the head Expenditure in the Statement of Profit & Loss Account

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the year ended 31 March 2019 (₹ lakhs)	For the year ended 31 March 2018 (₹ lakhs)
Provision towards Stage 3/NPA portfolio loans	5,796	(1650)

Fullerton India Credit Company Limited

Notes to the reformatted standalone financial information

Provision made towards income tax (incl. Adj for tax of earlier period)	47,986	12,143
Provision for standard portfolio loans	12,212	(13,658)

xiii) Draw down from reserves

The Company has not withdrawn any amount from any of the reserves during the year ended 31 March 2019 (31 March 2018: Nil)

xiv) Concentration of Deposits, Advances, Exposures and NPAs

(a) Concentration of Deposits

The Company has not accepted any deposits during the current and previous year. Also there are no outstanding deposit from earlier years.

(b) Concentration of Advances

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Total advances to twenty largest borrowers	29,585	32,710
Percentage of advances to twenty largest borrowers to total advances of the Company	1%	2%

(c) Concentration of Exposures

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Total exposure to twenty largest borrowers / customers	30,014	33,272
Percentage of exposures to twenty largest borrowers / customers to Total Exposure of the Company on borrowers / customers	1%	3%

(d) Concentration of Non Performing Accounts

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Total Exposure to top four NPA accounts	5,448	5,559

(e) Concentration of Non Performing Accounts

Particulars	Percentage of NPAs to Total Advances in that sector (%)	
	As at 31 March 2019	As at 31 March 2018
Sector*		
Agriculture and allied activities	0.4%	0.5%
MSME	6.2%	5.3%
Services	0.0%	0.0%
Unsecured personal loans	0.9%	1.0%
Auto loans (Commercial Vehicle)	3.0%	2.5%
Other personal loans (incl. TW, used car, Loan against property)	3.8%	5.0%

Fullerton India Credit Company Limited

Notes to the reformatted standalone financial information

*Above sectors includes corporate borrowers NPA of 6.2% (31 March 2018; 5.3%)

xv) Movement of NPA's, provision, net NPA

Particulars	As at 31 March 2019 (₹ lakhs)	As at 31 March 2018 (₹ lakhs)
Net NPA to Net Advances (%)	1.00%	1.42%
Movement in Gross NPAs		
(a) Opening Balance	37,869	37,715
(b) additions during the year	83,922	105,728
Sub Total (A)	121,791	143,443
(a) Up gradations	19,772	12,250
(b) Recoveries	14,039	17,260
(c) Write-Offs	45,301	76,064
Sub Total (B)	79,112	105,574
Gross NPAs as on 31 Mar (A-B)	42,679	37,869
Movement in provisions for NPAs		
(a) Opening Balance	15,939	17,588
(a) Provisions made during the year	38,074	46,585
(b) Write off / Write back of excess provisions	32,278	48,234
(b) Closing Balance	21,735	15,939
Movement in Net NPAs		
(a) Opening Balance	21,930	20,127
(b) additions during the year	45,848	59,143
(c) Reductions during the Year	46,834	57,340
(d) Closing Balance	20,944	21,930

a. Non-Performing assets (NPA) includes loans having days past due of more than 3 months calculated as per the Company's credit risk policy.

b. Net advances are computed as principal amount outstanding in the customer's account as at reporting date reduced by the ECL provisions held on the portfolio loans.

xvi) The company has not invested in any overseas assets in the current and previous year. The Company has not sponsored any off-Balance Sheet SPV in the current and previous years which were required to be consolidated as per accounting norms. Also there are no outstanding investments from earlier years.

xvii) Disclosure on complaints

No. of complaints pending at the beginning of the year	10
No. of complaints received during the year	268
No. of complaints redressed during the year	266
No. of complaints pending at the end of the year	12

Fullerton India Credit Company Limited

Notes to the reformatted standalone financial information

54. The Company does not have any outstanding loan against gold jewelries as at 31 March 2019 (31 March 2018: ₹ Nil).
55. The Company has reclassified/regrouped previous year figures to conform to current year's classification, where applicable.

For **B S R & Co. LLP**

Chartered Accountants

ICAI Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors

Fullerton India Credit Company Limited

Sd/-

Milind Ranade

Partner

Membership No:100564

Sd/-

Rajashree Nambiar

CEO & Managing Director

DIN: 06932632

Sd/-

Pankaj Malik

Chief Financial Officer

Place: Mumbai

Date: 30 September 2019

Place: Mumbai

Date: 30 September 2019

Annexure VII : Statement of Capitalisation

Particulars	Amount Rs. in lakh
	Prior to the issue As at 31 March 2019
Equity Share capital (Refer Annexure I)	2,01,150
Other Equity (Refer Annexure I)	1,64,037
Equity (A)	3,65,187
Debt securities (Refer annexure I)	9,40,740
Borrowings (Refer annexure I)	8,85,479
Subordinated liabilities (Refer annexure I)	1,11,181
Total Debt (B)	19,37,400
Debt/Equity Ratio (%)	5.31

Notes

- 1) The figures are based on the audited standalone financial Statements of the Company for the year ended 31 March 2019.
- 2) Amount of Proposed Issued is taken from the Draft Shelf Prospectus being filed.
- 3) Debt / Equity ratio = Total debt / Equity
- 4) Post 31 March, 2019, there has been increase in equity on account of issue of shares and increase in total debt on account of further borrowings by the Company which has been not been in included in the above table.

Annexure VIII : Statement of dividend paid / proposed and the rate of dividend per share

Particulars	2018-19	2017-18
Dividend paid on equity shares	NIL	NIL
Dividend distribution tax paid on equity shares	NIL	NIL
Dividend per equity share (Rs.)	NIL	NIL

Independent Auditor's Examination Report on Reformatted Consolidated Financial Information under Indian GAAP as at and for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 in connection with proposed public issue by Fullerton India Credit Company Limited (the "Company") of secured, redeemable, non-convertible debentures of face value of Rs. 1,000 each aggregating upto Rs. 20,000 million (the "NCDs") through one or more tranches (the "Issue")

The Board of Directors
Fullerton India Credit Company Limited
Floor 6, B Wing, Supreme IT Park
Supreme City, Behind Lake Castle
Powai
Mumbai 400 076

30 September 2019

Dear Sirs/Madam,

1. We have examined the Reformatted Consolidated Financial Information under Indian GAAP (defined subsequently) of Fullerton India Credit Company Limited (the "Company") and its subsidiary companies (together referred to as "the Group"), which comprise of the Reformatted Consolidated Statement of Assets and Liabilities as at 31 March 2017, 31 March 2016 and 31 March 2015 and the Reformatted Consolidated Statement of Profit and Loss for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 and the Reformatted Consolidated Statement of Cash Flows for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 and the Summary of Significant Accounting Policies, read together with the annexures and notes thereto (together referred to as "Reformatted Consolidated Financial Information under Indian GAAP") annexed to this report, for the purpose of inclusion in the Draft Shelf Prospectus and/or Shelf Prospectus and/or Tranche Prospectus(es) and any amendments and supplements thereto (collectively the "**Offering Documents**") to be filed by the Company in connection with its proposed public issue by the Company of secured, redeemable, non-convertible debentures of face value of Rs. 1,000 each aggregating upto Rs. 20,000 million (the "NCDs") through one or more tranches (the "Issue"). The Reformatted Consolidated Financial Information under Indian GAAP has been prepared by the Management of the Company on the basis of note 2 of Annexure XII to the Reformatted Consolidated Financial Information and approved by the Retail Bond Issuance Committee of the Company (on behalf of the Board of Directors of the Company) on 30 September 2019 by taking into consideration the requirements of :
 - a. section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act"); and
 - b. the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time (the "SEBI Debt Regulations") issued by Securities and Exchange Board of India (the "SEBI").

Management's Responsibility

2. The preparation of Reformatted Consolidated Financial Information under Indian GAAP is the responsibility of the Board of Directors of the Holding Company for the purpose set out in paragraph 1 above. The Reformatted Consolidated Financial Information under Indian GAAP have been prepared by the Management of the Holding Company on the basis of preparation stated in note 2 of Annexure XII to the Reformatted Consolidated Financial Information under Indian GAAP. The respective Board of Directors of the companies included in the Group have responsibility of designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of Reformatted Consolidated Financial Information under Indian GAAP. The respective Board of Directors of the companies included in the Group are also responsible for identifying and ensuring that the Company complies with the requirements of Section 26 of Part I of Chapter III of the Act, the applicable provisions of the Act and the SEBI Debt Regulations.
3. The Reformatted Consolidated Financial Information under Indian GAAP have been extracted by the management from the audited consolidated financial statements of the Group as at and for the years ended 31 March 2017, 31 March 2016 and 31 March 2015, prepared in accordance with Accounting Standards notified under Section 133 of the Act, the relevant rules thereunder, other relevant provisions of the Act and guidelines issued by RBI/NHB as applicable to NBFCs/HFCs and other accounting principles generally accepted in India, which has been approved by the Board of Directors of the Company at its meeting held on 18 May 2017, 19 May 2016 and 20 May 2015 respectively.

Auditor's Responsibility

4. We have examined the Reformatted Consolidated Financial Information taking into consideration:
 - a. the terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 1 July 2019 in connection with the Issue;
 - b. requirements of Section 26 of Part I of Chapter III of the Act and the SEBI Debt Regulations;
 - c. concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Reformatted Consolidated Financial Information under Indian GAAP and
 - d. the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) ("The Guidance Note"). The Guidance Note requires, *inter alia*, that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

5. The audit of the consolidated financial statements of the Group for the financial years ended 31 March 2017, 31 March 2016 and 31 March 2015 was conducted and reported upon by the previous auditor, S.R. BATLIBOI & CO. LLP, Chartered Accountants, and accordingly reliance has been placed on the Reformatted Consolidated Financial Information under Indian GAAP examined by them and reported upon for the years ended 31 March 2017, 31 March 2016 and 31 March 2015 vide their examination report dated 30 September 2019, which also

include language stating reliance on examination report issued by other auditors of a subsidiary company for those years.

Auditor’s Responsibility (Continued)

The Examination report for these years, i.e. years ended 31 March 2017, 31 March 2016 and 31 March 2015 is based solely on the report submitted by S.R. BATLIBOI & CO. LLP, Chartered Accountants.

- The audit reports on the consolidated financial statements for the years ended 31 March 2017, 31 March 2016 and 31 March 2015, issued by previous auditors, included the following other matter paragraph :

As indicated in their auditor’s report on the consolidated financial statements referred above, they did not audit financial statements of 2 subsidiaries whose share of total assets, total revenues, net cash inflows / (outflows) included in the Reformatted Consolidated Financial Information under Indian GAAP, for the relevant years as tabulated below:

Year ended on	Number of subsidiaries	Total assets (Rs. in millions)	Total revenues (Rs. in millions)	Net cash inflows / (outflows) (Rs. in millions)
March 31, 2017	2	8,311.87	256.54	104.35
March 31, 2016	2	647.63	23.12	(55.94)
March 31, 2015	2	105.35	3.91	(0.16)

The financial statements of these subsidiaries have been audited by us in our capacity as Statutory auditor of Fullerton India Home Finance Company Limited and Manish P. Jain & Associates (Statutory auditor of Fullerton India Foundation for Social and Economic Development) (collectively, referred as the ‘other auditors’) and whose reports have been furnished to them by the Company’s management and their opinion in so far as it relates to the amounts included in these Reformatted Consolidated Financial Information under Indian GAAP are based solely on the report of such other auditors.

The opinions of the previous auditor were not modified in respect of this matter.

Opinion

- Based on our examination and in accordance with the requirements of section 26 of Part I of Chapter III of the Act, the SEBI Debt Regulations, the Guidance note and the terms of our engagement agreed with you, we report that:

The Reformatted Consolidated Financial Information under Indian GAAP of the Group as at and for the each of the years ended 31 March 2017, 31 March 2016 and 31 March 2015 examined and reported upon by previous auditor S.R. BATLIBOI & CO. LLP, Chartered Accountants vide their examination report dated 30 September 2019 and accordingly, reliance has been placed on the Reformatted Consolidated Financial Information under Indian GAAP examined by them, as set out in Annexure IX to XII to this report, are accurately extracted from the audited Consolidated financial statements of the Group for the years ended 31 March 2017, 31 March 2016 and 31 March 2015.

Opinion (Continued)

8. Based on our examination as above and according to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors S.R. BATLIBOI & CO. LLP, Chartered Accountants, we further report that:
 - a. the Reformatted Consolidated Financial Information under Indian GAAP have to be read in conjunction with the notes given in Annexure XII;
 - b. the figures of earlier years have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform primarily to the requirements of the Schedule III to the Act;
 - c. in the preparation and presentation of Reformatted Consolidated Financial Information under Indian GAAP based on audited Consolidated financial statements as referred to in paragraph 3 and 5 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports issued by previous auditor as specified in paragraph 3 above and
 - d. at the Company's request, we have also examined the following financial information of the Group set out in the Annexures prepared by management and approved by the Retail Bond Issuance Committee (on behalf of the Board of Directors of the Company) on 30 September 2019, for the years ended 31 March 2017, 31 March 2016 and 31 March 2015, which are based on the reports submitted by the previous auditors, S.R. Batliboi & CO. LLP Chartered Accountants and relied upon by us:
 - (a) Statement of dividend as appearing in Annexure XIII.
9. According to the information and explanations given to us and also as per the reliance placed on the reports submitted by previous auditors S.R. BATLIBOI & CO. LLP Chartered Accountants, in our opinion on the Reformatted Consolidated Financial Information under Indian GAAP and above financial information contained in Annexure XIII accompanying this report, read with the significant accounting policies and notes disclosed in Annexure XII has been prepared in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the SEBI Debt Regulations and the Guidance Note.
10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

Restrictions of use

12. This report is intended solely for use of the management for inclusion in the Offering Documents to be filed / registered with Securities and Exchange Board of India, stock exchanges where the NCDs are proposed to be listed and Registrar of Companies, Maharashtra (RoC), as applicable, prepared in connection with the Issue of the Company. Our report should not be used, referred to or distributed for any other purpose without our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Milind Ranade
Partner
Membership No: 100564

UDIN : 19100564AAAAFA1568

REFORMATTED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(In ₹ Lakhs)

Particulars	Notes	31 March 2017	31 March 2016	31 March 2015
EQUITY AND LIABILITIES				
Shareholders' funds				
Share capital	3	1,98,007	1,92,116	1,85,866
Reserves and surplus	4	50,729	18,929	(29,079)
Non-current liabilities				
Long-term borrowings	5	8,29,681	6,86,001	4,89,208
Other long term liabilities	6	10,949	8,491	6,515
Long-term provisions	7	28,119	13,183	8,057
Current liabilities				
Short-term borrowings	8	1,19,711	1,21,690	90,415
Other current liabilities	9	2,68,706	3,01,755	2,61,078
Short-term provisions	7	8,509	2,827	1,937
Sub-Total		3,96,926	4,26,272	3,53,430
TOTAL		15,14,411	13,44,992	10,13,997
ASSETS				
Non-current assets				
Fixed assets				
Tangible assets	10	4,421	2,983	2,432
Intangible assets	11	2,639	2,040	1,096
Assets under development	10 & 11	360	389	1,127
Non-current investments	12	105	5	5
Deferred tax asset (Net)	13	15,804	8,613	-
Long-term loans and advances	14	8,01,149	7,72,284	6,01,793
Other non-current assets	15	16,947	8,944	6,240
Current assets				
Current investments	16	1,95,005	92,022	50,684
Trade receivables	17	381	657	254
Cash and bank balances	18	54,931	82,287	55,080
Short Term Loans and Advances	14	3,97,398	3,52,850	2,77,270
Other current assets	15	25,271	21,918	18,016
TOTAL (D+E+F)		15,14,411	13,44,992	10,13,997

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

For and on behalf of the board of directors of
Fullerton India Credit Company Limited

Sd/-
Milind Ranade
Partner
Membership No.: 100564

Sd/-
Rajashree Nambiar
CEO and Managing Director

Sd/-
Pankaj Malik
Chief Financial Officer

Place : Mumbai
Date : 30 September 2019

Place : Mumbai
Date : 30 September 2019

REFORMATTED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(In ₹ Lakhs)

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Income				
Revenue from operations	19	2,60,162	2,21,357	1,67,863
Other income	20	6,546	6,568	4,200
Total revenue (I)		2,66,708	2,27,925	1,72,063
Expenses				
Employee benefit expense	21	45,135	36,211	29,556
Other expenses	22	31,692	31,160	24,788
Depreciation and amortization expense	10&11	2,799	2,438	2,309
Finance costs	23	1,04,084	95,076	70,861
Provisions and write-offs	24	51,095	20,526	14,417
Total expenses (II)		2,34,805	1,85,411	1,41,931
Profit before tax (III) =(I)-(II)		31,903	42,514	30,132
Tax expenses				
Current tax		18,641	11,869	6,935
MAT credit utilised / (entitlement)		-	-	(6,765)
Adjustment of tax relating to earlier periods		242	-	(158)
Deferred tax credit		(7,191)	(8,613)	
Total tax expense (IV)		11,692	3,256	12
Profit for the year (III)-(IV)		20,211	39,258	30,120
Earnings per equity share (₹)	25			
Basic (Computed on the basis of total profit for the year)		1.05	2.09	1.62
Diluted (Computed on the basis of total profit for the year)		1.05	2.09	1.62
Summary of significant accounting policies The accompanying notes are an integral part of the financial statements				

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

For and on behalf of the board of directors of
Fullerton India Credit Company Limited

Sd/-
Rajashree Nambiar
CEO and Managing Director

Sd/-
Pankaj Malik
Chief Financial Officer

Place : Mumbai
Date : 30 September 2019

Place : Mumbai
Date : 30 September 2019

REFORMATTED CONSOLIDATED CASH FLOW STATEMENT

(In ₹ Lakhs)

Particular	31 March 2017	31 March 2016	31 March 2015
Cash flow from operating activities:			
Net profit before taxation	31,903	42,514	30,132
Adjustment for computing operating profit before working capital changes:			
Depreciation and amortization	2,799	2,438	2,309
Interest on fixed deposits and bonds	(6,466)	(5,395)	(3,086)
Interest on investments	(2,814)	(5,264)	(3,418)
Profit on sale of fixed assets	(18)	(22)	(38)
Write off of fixed assets & intangible assets	4	265	66
Discount on Commercial Paper	59	-	-
Profit on sale of investments	(3,297)	(3,918)	(1,926)
Unrealised loss on investments	314	-	3
Provision for standard/sub standard assets and bad debts written off	50,781	20,535	14,417
Provision for employees benefits	(13)	(179)	(53)
Amortisation of ancillary borrowing costs	590	1,490	1,466
Operating profit before working capital changes	73,842	52,464	39,872
Movements in working capital :			
(Increase)/decrease in long term loans and advances	(46,020)	(1,82,068)	(1,95,643)
(Increase)/decrease in short term loans and advances	(54,830)	(80,182)	(65,554)
(Increase)/ decrease in other non current assets	(76)	(1,500)	(2,456)
(Increase)/decrease in other current assets	(3,300)	(2,951)	(3,737)
(Increase)/decrease in trade receivables	276	(403)	13
Increase/(decrease) in current liabilities	(6,581)	24,527	25,906
Increase/(decrease) in other long term liabilities	2,492	1,976	3,008
Increase/ (decrease) in short term Provision	-	-	-3
Cash generated from operations	(34,197)	(1,88,136)	(1,98,594)
- Income taxes paid	(10,545)	(10,615)	(6,297)
Net cash from operating activities (A)	(44,742)	(1,98,751)	(2,04,891)
Cash flow from investing activities:			
Purchase of fixed assets and intangibles	(4,357)	(3,674)	(2,866)
Proceeds from sale of fixed assets	39	28	43
Purchase of non-current investments	(100)	-	-
Purchase of current investments	(27,03,003)	(23,11,242)	(12,01,237)
Sale/maturity of investments	25,95,441	22,78,273	11,97,536
Fixed deposit placed during the year	(55,141)	(70,311)	(59,109)
Fixed deposit matured during the year	69,367	47,154	19,872
Interest received on fixed deposits and bonds	5,537	4,274	2,154
Interest received on investments	185	820	115
Net cash from investing activities (B)	(92,032)	(54,678)	(43,492)
Cash flow from financing activities			
Proceeds from issuance of share capital (including share premium)	20,000	15,000	-
Proceeds from long term borrowings from banks and financial institutions	3,42,280	4,41,300	3,61,998
Proceeds from short term borrowings from banks and financial institutions	1,17,817	1,19,967	1,68,638

(In ₹ Lakhs)

Particular	31 March 2017	31 March 2016	31 March 2015
Repayment of long term borrowings from banks and financial institutions	(2,25,375)	(2,27,564)	(1,43,607)
Repayment of short term borrowings from banks and financial institutions	(1,19,855)	(88,692)	(1,61,435)
Payment of ancillary borrowing costs	(1,551)	(2,307)	(1,373)
Net cash used in financing activities (C)	1,33,316	2,57,704	2,24,221
Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)	(3,458)	4,275	(24,162)
Cash and cash equivalents as at the beginning of the year	13,220	8,945	33,107
Cash and cash equivalents as at the end of the year (refer note 29)	9,762	13,220	8,945
Components of cash and cash equivalents as at the end of the year			
Cash and cheques on hand	948	1,127	1,151
With banks - on current account	7,714	12,093	7,794
- on Deposit account	1,100	-	-
Cash and cash equivalents as at the end of the year	9,762	13,220	8,945

As per our report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 101248W/W-100022

Sd/-
Milind Ranade
Partner
Membership No.: 100564

Place : Mumbai
Date : 30 September 2019

For and on behalf of the board of directors of
Fullerton India Credit Company Limited

Sd/-
Rajashree Nambiar
CEO and Managing Director

Sd/-
Pankaj Malik
Chief Financial Officer

Place : Mumbai
Date : 30 September 2019

Summary of significant accounting policies and notes to the reformatted financial information**Notes to Accounts****Financial Year 2016 -17, 2015-16, 2014-15:****1. Corporate information**

Fullerton India Credit Company Limited ('FICCL' or 'the Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is a non-banking financial company ('NBFC') registered with the Reserve Bank of India ('RBI'). The Company provides loans to small and medium enterprises for working capital and growth, loans for commercial vehicles and two-wheelers, home improvement loans, loans against property, personal loans, working capital loans for urban salaried and self-employed and loans for rural livelihood advancement and financing of various rural micro enterprises.

Fullerton India Home Finance Company Limited ('FIHFCL') has been incorporated on 12 August 2010, with the main object of providing finance for purchase, repairs, construction, and enlargement, erection of house or apartments or building. The Company is registered with the National Housing Bank of India ('NHB') vide Registration number 07.0122.15 dated 14 July 2015.

2. (a) Basis of Preparation of Consolidated Financial Statements

The Reformatted Consolidated Financial Statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these Reformatted Consolidated Financial Statements to comply in all material respects with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 as amended, and the relevant provisions of the Companies Act, 1956 ('the 1956 Act'), the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Systemically Important Non-Deposit accepting NBFC ('NBFC-ND-SI') and with other relevant provisions of the Act and Master Circular - The Housing Finance Companies (NHB) Directions, 2010 ('Master Directions') issued by NHB. The Reformatted Consolidated Financial Statements have been prepared under historical cost convention and on an accrual basis except for interest and discounts on non-performing assets which are recognized on realization basis.

The Reformatted Consolidated Financial Statements have been prepared in accordance with the requirements of Section 26(1)(b) of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (the "SEBI Regulations") issued by the SEBI.

These reformatted Consolidated financial statements have been adjusted for material regrouping / reclassification wherever necessary to correspond with the audited financial statements as at and for the year ended March 31, 2017. These reformatted Consolidated financial statements do not reflect effects of events that occurred subsequent to auditor's report dated May 18, 2017 with respect to the audited financial statements as at and for the year ended March 31, 2017 and also does not reflect the effect of change in accounting policies in preparation of subsequent financial statements, if any.

(b) Principles of Consolidation

- (i) The Consolidated Financial Statements are prepared in accordance with Accounting Standard 21 - Consolidated Financial Statements (AS-21) issued by the Institute of Chartered Accountants of India (ICAI). The financial statements of the group companies are prepared according to uniform accounting policies, in accordance with accounting principles generally accepted in India. The effects of inter-company transactions are eliminated on consolidation.

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible unless otherwise stated, are made in the Consolidated Financial Statements and are presented in the same manner as the Company's standalone financial statements.

The financial statements of the FIHFCL have been prepared in accordance with and in the manner prescribed by National Housing Bank regulations. The financial statements of the FIHFCL have been consolidated, to the extent possible in the format as adopted by the parent, as required by AS-21 and as prescribed under section 133 of Companies Act, 2013.

(ii) The subsidiary companies considered in preparation of Consolidated Financial Statements are:

Particulars	Country of Incorporation	Proportion of ownership as on 31 March 2017	Proportion of ownership as on 31 March 2016	Financial Year ends on
Fullerton India Home Finance Company Limited	India	100%	100%	March 31
Fullerton India Social and Economic Development Private Limited (Formerly known as Fullerton India Foundation for Social and Economic Development)	India	100%	100%	March 31

For the purpose of Consolidated Financial Statements, the results of FICCL and its subsidiaries Year ended 31 March 2017 have been derived from the respective Company's audited financials of the year ended 31 March 2017.

2.1 Summary of Significant Accounting Policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on management's knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

(b) Tangible fixed assets

All tangible assets are carried at cost, net of accumulated depreciation and impairment loss, if any. Cost includes purchase price and directly attributable cost of bringing the asset to its working condition for the intended use.

Gain or loss arising from de-recognition of a fixed asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

(c) Intangible assets

Costs relating to acquisition and development of computer software are capitalized in accordance with the AS 26 'Intangible Assets' issued by the Institute of Chartered Accountants of India and are amortised using the straight line method over a period of five years, which is the management's estimate of its useful life.

(d) Depreciation on tangible fixed assets

Depreciation on tangible fixed assets is provided using the Straight Line Method ('SLM') as per the useful life of the asset estimated by the management.

	Useful life estimated by the Group (in years)	Useful Life as per Schedule II (in years)
Building	50	60
Computer Server and Other Accessories	4	6
Computer Desktop and Laptops	3	3
Furniture and Fixtures	5	10
Office Equipments	5	5
Handheld devices	2	5
Vehicles	4	8

Leasehold improvements are amortised over the period of the lease subject to a maximum lease period of 66 months.

Tangible assets having an original cost up to ₹ 5,000 individually are depreciated fully in the year of purchase.

(e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment, based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried in the financial statements at lower of cost and fair value determined in accordance with the NBFC/NHB directions. Investments in the units of mutual funds in the nature of current investments are valued at the net asset value declared by the mutual fund in respect of each particular scheme, in accordance with the NBFC/NHB directions. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

(g) Asset classification and Provisioning/write-off of Assets

- (i) Loans including housing loans are classified as standard and non-performing assets in accordance with Company's policy. A loan is classified as NPA, where interest/ installment is overdue for a period of 90 days and above, from the day it becomes due.
- (ii) Loans are provided for/written off, in accordance with Company's policy, subject to the minimum provision required as per Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
- (iii) Housing loans are provided for/written off, in accordance with FIHFCL's policy, subject to the minimum provision required as per the National Housing Bank (NHB) Housing Finance Companies Directions, 2010 as amended from time to time.

(h) Leases**Where the Company is the lessor**

Assets given on operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an

expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

Where the Company is the lessee

Lease arrangements where the Lessor effectively retains, substantially, all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i) Interest Income

Interest income on loans given is recognised under the internal rate of return method.

Such interest, where installments are overdue for 90 days and above, is recognised only when actually realised. Any such income, recognised and remaining unrealised after the installments have become overdue for 90 days and above, is reversed.

Interest income on deposits with banks is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

ii) Income from assignment / securitisation of loans and receivables

Profit/premium arising at the time of securitisation / assignment of loan portfolio is amortised over the life of the underlying loan portfolio/securities and any loss arising therefrom is accounted for immediately. Income from interest strip (excess income spread) is recognised in the statement of profit and loss net of any losses when redeemed in cash. Interest retained under assignment of loan receivables is recognised on realization basis over the life of the underlying loan portfolio.

iii) Fee income

Loan processing fee/document fee/stamp fee are recognised over the term of the loan in proportion to the interest accrued during the year. For the agreements foreclosed or transferred through assignment/securitisation, the unamortised portion of the fee is recognised as income to the Statement of Profit and Loss at the time of such foreclosure/transfer through assignment.

Additional charges such as penal, dishonour, foreclosure charges, etc. are recognised on realization basis.

iv) Income on discounted instruments

Income on discounted instruments is recognised over the tenor of the instrument on straight line basis.

v) Commission and brokerage income

Commission and brokerage income earned for the services rendered are recognised on accrual basis.

vi) Dividend Income

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date.

vii) Profit/Loss on sale of investments

Profit/loss on sale of investments is recognised on trade date basis. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(j) Foreign currency transactions

i) Initial recognition

Foreign currency transactions are recorded at exchange rate prevailing on date of transaction.

ii) Conversion

Foreign currency monetary balances are reported using the exchange rate prevailing at the reporting date. Non-monetary balances, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate on the date of the transaction.

iii) Exchange differences

Exchange differences arising on the settlement of monetary balances or on the restatement of the Company's monetary balances at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognised as income or as expense in the year in which they arise.

(k) Retirement and Other Employee benefits

i) Short Term Employee Benefits

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

ii) Defined Contribution Plans

- a) The contributions as specified by law are made to the Regional Provident Fund Commissioner and charged to the Statement of Profit and Loss of the year when the contribution to the respective fund is due. There are no other obligations other than contribution payable to the provident fund.
- b) Superannuation is provided for on accrual basis, in accordance with the Company's policy.

iii) Defined Benefit Plans

Gratuity liability is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gain or loss is recognised in full in the period in which they occur in the Statement of Profit and Loss.

iv) Leave benefits

Accumulated leave balance, which is expected to be utilised within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to incur as a result of unused entitlement that has accumulated at the reporting date.

(l) Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each

reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(m) Earnings per share

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

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

(n) Provisions & Contingencies

A provision is recognised when an enterprise has a present obligation as a result of past event; 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 are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

(o) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with original maturity of three months or less.

(p) Share based payments

In case of stock appreciation rights, measurement and disclosure of the employee share-based payment plan is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the ICAI. The Company measures compensation cost relating to stock appreciation rights using the fair value method. Compensation expense is amortised over the vesting period of the option on a straight line basis.

(q) Borrowing costs

Financial Year 2016-17

Ancillary borrowing costs incurred in connection with the arrangement of borrowings are amortised over the tenure of the respective borrowings except with respect to expenses incurred on issue of debt securities, which are debited against securities premium account in accordance with Section 52 of the Companies Act, 2013.

Financial Year 2015-16, 2014-15

Ancillary borrowing costs incurred in connection with the arrangement of borrowings is amortised over the tenure of the respective borrowings.

(r) Loan origination costs

Loan origination costs such as credit verification, contact point verification, agreement stamping and direct selling agents commission are recognised as expense over the contractual tenor of the loan agreements in proportion to the interest accrued during the year. For the agreements foreclosed or transferred through assignment, the unamortised portion of the loan acquisition costs are recognised as charge to the Statement of Profit and Loss at the time of such foreclosure/transfer through assignment/securitisation.

(s) Operating cycle

Assets and Liabilities are classified as current and non-current based on the operating cycle which has been estimated to be 12 months. All assets and liabilities which are expected to be realised and settled, within a period of 12 months from the date of Balance Sheet have been classified as current and other assets and liabilities are classified as non-current.

(t) Cash flow statement

Cash flows are reported using the indirect method, 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 Group are segregated based on the available information.

(u) Commercial papers issued

Commercial papers issued by the Company are recognised at redemption value net of unamortised finance charges. The difference between redemption value and issue value is amortised on a time basis and is disclosed separately under finance charges.

Financial Year 2016-17:

2.2 Change in accounting estimates:

(a) The Reserve Bank of India vide circular No. DBR.No.BP.BC.37/21.04.048/2016-17 dated 21 November 2016 and DBR.No.BP.BC.49/21.04.048/2016-17 dated 28 December 2016 has provided a dispensation on prudential norms in the form of short-term deferment of classification of loan accounts as sub-standard. Accordingly, the Company has availed the said dispensation for certain categories of its loan products whereby loan accounts aggregating ₹ 17,602 lakhs continue to be classified as standard assets as at March 31, 2017.

However, the Company has performed a qualitative assessment of its loan portfolio and accordingly, revised its estimates of provisioning for standard assets. Had the Company applied the estimates followed in the previous year, the profit before tax for the year would have been higher by ₹ 16,327 lakhs.

(b) During the current year, FIHFCL has revised the estimate of provision on standard assets. Had the Company used the estimate applicable in previous year the provision on standard assets would have been lower by ₹ 260 lakhs.

Financial Year 2015-16:

a. During the current year, the Company has revised the estimate of provision on standard assets. Had the Company used the estimate applicable in previous year the provision on standard assets would have been lower by ₹ 1,790 lakhs.

b. During the current year, the Company has revised the estimate of provision on sub-standard assets. Had the Company used the estimate applicable in previous year the provision on sub-standard assets would have been lower by ₹ 1,474 lakhs.

Financial Year 2014-15:

(a) Depreciation/amortisation of tangible and intangible assets

In accordance with the requirements of Schedule II of the Act, the Company has reassessed the useful life and residual value of its tangible and intangible assets. As a result,

i) an amount of ₹ 6 lakhs has been charged to the Statement of Profit and Loss in respect of the assets whose remaining life is nil as at April 1, 2014 and

- ii) an amount of ₹ 126 lakhs has been charged to the Statement of Profit and Loss for the year, representing the additional depreciation on the carrying value of the assets as at April 1, 2014 due to change in useful life of the asset.
- (b) During the current year, the Company has revised the estimate of provision on standard assets. Had the Company used the estimate applicable in previous year the provision on standard assets would have been lower by ₹ 1,531 lakhs.
- (c) During the current year, the Company has revised the estimate of provision on sub-standard assets. Had the Company used the estimate applicable in previous year the provision on sub-standard assets would have been lower by ₹ 426 lakhs.

2.3 Change in accounting policy:

During the year, the Company has changed the policy of recognition of borrowing expenses incurred in connection with the issuance of debentures, from amortisation over the tenure of debentures issued to adjusting the same against securities premium account.

Accordingly, debenture issue expenses aggregating ₹ 2,519 lakhs (net of tax of ₹ 1,333 lakhs) have been adjusted against securities premium account. Had the Company applied the policy followed till the previous year, the profit before tax for the year would have been lower by ₹ 657 lakhs.

Notes to the reformatted standalone financial information

3. Share Capital

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Authorised Shares 2,500,000,000 (31 March 2016: 2,500,000,000), (31 March 2015: 2,500,000,000) equity shares of ₹10 each	2,50,000	2,50,000	2,50,000
	2,50,000	2,50,000	2,50,000
Issued, subscribed and fully paid up shares 1,980,071,519 (31 March 2016: 1,921,161,357) equity shares of ₹10 each, (31 March 2015: 1,858,661,357) equity shares of ₹10 each	1,98,007	1,92,116	1,85,866
	1,98,007	1,92,116	1,85,866

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity Shares	31 March 2017		31 March 2016		31 March 2015	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
At the beginning of the year	1,92,11,61,357	1,92,116	1,85,86,61,357	1,85,866	1,85,86,61,357	1,85,866
Issued during the year	5,89,10,162	5,891	6,25,00,000	6,250	-	-
Outstanding at the end of year	1,98,00,71,519	1,98,007	1,92,11,61,357	1,92,116	1,85,86,61,357	1,85,866

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

Any dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Dividend declared and paid would be in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding /ultimate holding Company and/or their subsidiaries/associates

Out of equity shares issued by the Company, shares held by its holding Company, ultimate holding Company and their subsidiaries/associates are as below:

(In ₹ Lakhs)

	31 March 2017	31 March 2016	31 March 2015
Angelica Investments Pte Ltd, Singapore, the holding company and its nominees 1,894,815,162 (31 March 2016: 1,835,905,000) (31 March 2015: 1,773,405,000) equity shares of ₹10 each fully paid)	1,89,482	1,83,591	1,77,341
Fullerton Financial Holdings Pte Ltd, Singapore, holding company of Angelica Investments Pte Ltd 8,52,56,357 (31 March 2016: 8,52,56,357) (31 March 2015: 8,52,56,357) equity shares of ₹10 each fully paid)	8,526	8,526	8,526

(d) Shares issued for consideration other than cash

	31 March 2017	31 March 2016	31 March 2015
	No. of shares	No. of shares	No. of shares
Equity shares of ₹ 10 each allotted to Fullerton Financial Holdings Pte Ltd., the holding Company of erstwhile Fullerton Enterprises Pvt. Ltd., for consideration other than cash, pursuant to the scheme of Amalgamation approved by the Honorable High Court, Bombay.	85,256,357	85,256,357	85,256,357

(e) Details of shareholders holding more than 5% shares in the Company

	31 March 2017		31 March 2016		31 March 2015	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 10 each fully paid Angelica Investments Pte. Ltd, Singapore, the holding company	1,89,48,15,162	95.69%	1,83,59,05,000	95.56%	1,77,34,05,000	95.41%

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

4. Reserves and surplus

(In ₹ Lakhs)

Particulars		31 March 2017	31 March 2016	31 March 2015
General Reserve		96	96	96
	(A)	96	96	96
Capital Reserve		349	349	349
	(B)	349	349	349
Securities Premium Account				
Balance as per the last financial statements		9,446	696	696
Add: Securities premium on issue of shares		14,108	8,750	-
Less: Utilisation towards debenture issue expenses		(2,519)	-	
Closing Balance	(C)	21,035	9,446	696
Reserve Fund under Section 45 - IC of the RBI Act, 1934				
Balance as per the last financial statements		21,910	13,958	7,939
Add: Amount transferred from surplus balance in the statement of profit and loss		4,286	7,952	6,019
Closing Balance	(D)	26,196	21,910	13,958
Surplus/(Deficit) in the statement of profit and loss				
Balance as per the last financial statements		(12,872)	(44,178)	(68,279)
Add: Profit for the year		20,211	39,258	30,120
Less: Transferred to Statutory Reserve (@ 20% of profit after tax as required by section 45-IC of The Reserve Bank of India Act, 1934)		(4,286)	(7,952)	(6,019)
Net Surplus/(Deficit) in the statement of profit and loss	(E)	3,053	(12,872)	(44,178)
Total reserves and surplus (A+B+C+D+E)		50,729	18,929	(29,079)

5. Long-term borrowings

(In ₹ Lakhs)

Particulars	Non Current portion			Current maturities		
	31 March 2017	31 March 2016	31 March 2015	31 March 2017	31 March 2016	31 March 2015
Term Loans						
Indian rupee loan from banks (secured)*	3,42,151	3,50,701	3,31,908	1,33,946	1,74,333	1,01,229
Indian rupee loan from banks (unsecured)	-	-	11,500	-	11,500	-
Debentures						
Debentures (secured)**	4,18,430	2,73,300	1,15,800	48,800	23,690	88,850
Debentures (unsecured)	69,100	62,000	30,000	-	-	2,500
Total	8,29,681	6,86,001	4,89,208	1,82,746	2,09,523	1,92,579
The above amount includes						
Secured Borrowings	7,60,581	6,24,001	4,47,708	1,82,746	1,98,023	1,90,079
Unsecured Borrowings	69,100	62,000	41,500	-	11,500	2,500
Less: Amount disclosed under the head other current liabilities (refer note 9)	-	-	-	1,82,746	2,09,523	1,92,579
Total	8,29,681	6,86,001	4,89,208	-	-	-

*Indian rupee loan from banks are secured by first pari passu charge over all loan receivables except specific charge on specific loan receivables for one of the financial institution (Term loan outstanding as on 31 March 2017 : Rs 1,833 Lakhs; 31 March 2016 : Rs 3,465 Lakhs, 31 March 2015 : Rs 5,097 Lakhs).

** Debentures are secured by first pari passu charge over all loan receivables and immovable property.

Terms of repayment of term loans as on 31 March 2017

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	₹ Lakhs
Monthly repayment schedule										
More than 1460	09% - 11%	12	1,632	1	201	-	-	-	-	1,833
Quarterly repayment schedule										
731-1095	09% - 11%	6	4,500	-	-	-	-	-	-	4,500
1096-1460	09% - 11%	12	15,417	8	3,333	8	3,333	4	1,667	23,750
More than 1460	08% - 09%	22	25,037	22	25,037	21	23,370	17	19,537	92,980
	09% - 11%	36	29,778	34	29,944	33	31,944	17	15,035	1,06,701
Half yearly repayment schedule										
731-1095	08% - 09%	1	1,667	-	-	-	-	-	-	1,667
	09% - 11%	3	1,875	9	5,583	9	5,042	-	-	12,500
1096-1460	08% - 09%	1	2,500	-	-	-	-	-	-	2,500
	09% - 11%	1	1,875	2	3,750	1	1,875	-	-	7,500
More than 1460	08% - 09%	4	8,750	8	10,375	11	14,708	15	14,417	48,250
	09% - 11%	11	26,917	18	34,917	17	30,000	9	17,083	1,08,917
Yearly repayment schedule										
731-1095	09% - 11%	-	-	1	500	2	1,000	-	-	1,500
1096-1460	08% - 09%	1	5,000	-	-	-	-	-	-	5,000
More than 1460	08% - 09%	3	7,500	2	5,000	2	3,333	2	1,667	17,500

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Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	₹ Lakhs
	09% - 11%	1	1,500	2	6,500	2	6,500	2	11,500	26,000
Bullet repayment schedule										
731-1095	08% - 09%	-	-	-	-	1	10,000	-	-	10,000
1096-1460	08% - 09%	-	-	-	-	1	5,000	-	-	5,000
Total		114	1,33,947	107	1,25,140	108	1,36,106	66	80,905	4,76,098

Terms of repayment of term loans as on 31 March 2016

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	₹ Lakhs
Monthly repayment schedule										
1096-1460	11% - 12%	6	25,000	-	-	-	-	-	-	25,000
More than 1460	09% - 11%	12	1,632	12	1,632	1	201	-	-	3,465
Quarterly repayment schedule										
731-1095	09% - 11%	10	8,362	6	4,500	-	-	-	-	12,862
1096-1460	09% - 11%	37	48,873	8	13,750	-	-	-	-	62,623
More than 1460	09% - 11%	29	22,466	50	41,569	50	45,736	69	55,729	1,65,500
Half yearly repayment schedule										
731-1095	09% - 11%	2	3,333	1	1,667	-	-	-	-	5,000
1096-1460	09% - 11%	2	5,000	1	2,500	-	-	-	-	7,500
More than 1460	09% - 11%	11	28,167	18	40,083	21	42,667	25	39,667	1,50,584
Yearly repayment schedule										
1096-1460	09% - 11%	1	5,000	1	5,000	-	-	-	-	10,000
More than 1460	09% - 11%	3	6,500	3	6,500	4	11,500	6	23,000	47,500
Bullet repayment schedule										
1096-1460	09% - 11%	1	11,500	1	15,000	-	-	-	-	26,500
	11% - 12%	2	20,000	-	-	-	-	-	-	20,000
More than 1460	09% - 11%									-
Total		116	1,85,833	101	1,32,201	76	1,00,104	100	1,18,396	5,36,534

Terms of repayment of term loans as on 31 March 2015

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	₹ Lakhs
Monthly repayment schedule										
1096-1460	09% - 11%	-	-	6	25,000	-	-	-	-	25,000
More than 1460	11% - 12%	12	1,632	12	1,632	12	1,632	1	201	5,097
Quarterly repayment schedule										
366-720	09% - 11%	1	625	-	-	-	-	-	-	625
731-1095	09% - 11%	6	6,250	8	8,750	2	2,500	-	-	17,500
	11% - 12%	14	11,271	5	3,237	-	-	-	-	14,508

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Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year		Due 1 to 2 Years		Due 2 to 3 Years		More than 3 Years		Total
		No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	No. of installments	₹ Lakhs	₹ Lakhs
1096-1460	09% - 11%	23	43,007	30	55,651	9	17,875	-	-	1,16,533
	11% - 12%	19	16,944	11	9,097	-	-	-	-	26,041
More than 1460	09% - 11%	2	2,000	16	12,417	20	18,417	26	22,167	55,000
	11% - 12%	4	5,000	2	2,500	-	-	-	-	7,500
Half yearly repayment schedule										
731-1095	09% - 11%	2	3,333	2	3,333	1	1,667	-	-	8,333
1096-1460	09% - 11%	1	2,500	2	5,000	1	2,500	-	-	10,000
More than 1460	09% - 11%	3	8,667	10	24,729	12	27,229	19	31,374	91,999
Yearly repayment schedule										
1096-1460	09% - 11%	-	-	1	3,750	1	3,750	-	-	7,500
More than 1460	09% - 11%	-	-	1	2,500	1	2,500	2	5,000	10,000
	11% - 12%	-	-	1	2,500	1	2,500	2	5,000	10,000
Bullet repayment schedule										
731-1095	09% - 11%	-	-	-	-	1	7,500	-	-	7,500
	11% - 12%	-	-	1	10,000	-	-	-	-	10,000
1096-1460	09% - 11%	-	-	2	21,500	-	-	-	-	21,500
Total		87	1,01,229	110	1,91,596	61	88,070	50	63,742	4,44,637

Terms of repayment of non-convertible debentures as on 31 March 2017

(In ₹ Lakhs)

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
Issued at par and redeemable at par						
366-730	08% - 09%	3,950	-	-	-	3,950
	09% - 11%	3,350	-	-	-	3,350
731-1095	08% - 09%	-	25,000	25,000	-	50,000
	09% - 11%	33,000	1,700	-	-	34,700
1096-1460	08% - 09%	-	11,500	1,06,500	12,500	1,30,500
	09% - 11%	7,500	5,500	10,000	-	23,000
More than 1460	08% - 09%	-	-	-	19,930	19,930
	09% - 11%	1,000	32,500	51,500	1,60,900	2,45,900
	11% - 12%	-	11,190	-	13,810	25,000
Total		48,800	87,390	1,93,000	2,07,140	5,36,330

Terms of repayment of non-convertible debenture as on 31 March 2016

(In ₹ Lakhs)

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
Issued at par and redeemable at par						
366-730	08% - 09%	2,500	3,950	-	-	6,450
	09% - 11%	-	3,350	-	-	3,350
731-1095	09% - 11%	8,800	33,000	1,700	-	43,500
1096-1460	08% - 09%	-	-	11,500	-	11,500
	09% - 11%	11,390	7,500	5,500	-	24,390

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More than 1460	09% - 11%	1,000	1,000	32,500	2,10,300	2,44,800
	11% - 12%	-	-	11,190	13,810	25,000
Total		23,690	48,800	62,390	2,24,110	3,58,990

Terms of repayment of non-convertible debenture as on 31 March 2015

(In ₹ Lakhs)

Original maturity of loan (in no. of days)	Rate of interest	Due within 1 year	Due 1 to 2 Years	Due 2 to 3 Years	More than 3 Years	Total
Issued at par and redeemable at par						
366-730	08% - 09%	20,500	-	-	-	20,500
	09% - 11%	750	-	-	-	750
731-1095	09% - 11%	23,500	8,800	-	-	32,300
	11% - 12%	39,100	-	-	-	39,100
1096-1460	09% - 11%	7,500	18,500	7,500	-	33,500
More than 1460	09% - 11%	-	1,000	1,000	89,000	91,000
	11% - 12%	-	-	-	20,000	20,000
Total		91,350	28,300	8,500	1,09,000	2,37,150

Particulars of Secured Redeemable Non-convertible Debentures:

(In ₹ Lakhs)

Particulars	Face Value	Quantity	Date of Redemption	31 March 2017	31 March 2016	31 March 2015
10.45% Series 27C	5	500	03-Nov-23	2,500	2,500	2,500
9.85% Series 24	10	400	22-May-23	4,000	4,000	4,000
10.60% Series 22	10	750	28-Apr-23	7,500	7,500	7,500
8.99% Series 49	10	500	15-Jul-22	5,000	-	-
9.16% Series33C	10	230	20-May-22	2,300	2,300	-
10.00% Series 29All	5	1,800	30-Dec-21	9,000	9,000	9,000
8.25% Series 53	10	713	22-Nov-21	7,130	-	-
9.20% Series32II	10	1,500	28-May-21	15,000	15,000	-
8.95% Series 42	10	100	10-May-21	1,000	-	-
8.95% Series 41	10	180	29-Apr-21	1,800	-	-
9.22% Series34BII	10	700	08-Mar-21	7,000	7,000	-
9.05% Series34F	10	100	18-Jan-21	1,000	1,000	-
9.25% Series33DIII	10	1,000	30-Dec-20	10,000	10,000	-
9.05% Series36A	10	1,500	30-Dec-20	15,000	15,000	-
9.50% Series37	10	4,000	15-Dec-20	40,000	40,000	-
9.10% Series34DII	10	250	30-Nov-20	2,500	2,500	-
9.05% Series35	10	1,500	28-Nov-20	15,000	15,000	-
8.00% Series 55	10	1,250	30-Apr-20	12,500	-	-
9.85% Series 29AI	5	1,200	14-Apr-20	6,000	6,000	6,000
9.30% Series 30DII	10	250	29-Jan-20	2,500	2,500	2,500
9.42% Series 30B	10	500	09-Dec-19	5,000	5,000	5,000
9.10% Series34DI	10	400	29-Nov-19	4,000	4,000	-
8.59% MS001	10	5,000	23-Nov-19	50,000	-	-
8.90% Series 47	10	500	16-Sep-19	5,000	-	-
8.45% Series 52	10	1,000	12-Aug-19	10,000	-	-
8.35% Series 50	10	1,500	02-Aug-19	15,000	-	-

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Particulars	Face Value	Quantity	Date of Redemption	31 March 2017	31 March 2016	31 March 2015
8.79% Series 51	10	250	23-Jul-19	2,500	-	-
8.80% Series 48	10	2,000	08-Jul-19	20,000	-	-
9.90% Series 28	5	3,000	24-Jun-19	15,000	15,000	15,000
8.90% Series 46	10	250	07-Jun-19	2,500	-	-
9.10% Series32I	10	1,500	28-May-19	15,000	15,000	-
9.73% Series 44	10	1,000	27-May-19	10,000	-	-
8.90% Series 45	10	200	24-May-19	2,000	-	-
8.90% Series 39(ii)	10	50	29-Apr-19	500	-	-
8.85% Series 40	10	1,550	19-Apr-19	15,500	-	-
8.90% Series 38	10	600	04-Apr-19	6,000	-	-
8.90% Series 39(i)	10	250	03-Apr-19	2,500	-	-
7.97% Series 54	10	1,250	22-Mar-19	12,500	-	-
9.30% Series 30DI	10	250	29-Jan-19	2,500	2,500	2,500
10.90% Series 27F	5	1,000	07-Jan-19	5,000	5,000	5,000
8.95% Series34E	10	150	17-Dec-18	1,500	1,500	-
11.00% Series 27E	5	1,000	10-Dec-18	5,000	5,000	5,000
8.90% Series34C	10	1,000	15-Oct-18	10,000	10,000	-
8.90% Series 43	10	1,250	17-Sep-18	12,500	-	-
9.10% Series34BI	10	150	07-Sep-18	1,500	1,500	-
9.30% Series 25	10	500	14-Jun-18	5,000	5,000	5,000
9.11% Series33DII	10	170	25-May-18	1,700	1,700	-
9.50% Series 23	10	1,000	08-May-18	10,000	10,000	10,000
9.05% Series33A	10	400	30-Apr-18	4,000	4,000	-
10.05% Series 31A	10	500	12-Mar-18	5,000	5,000	5,000
9.20% Series 30C	10	250	23-Jan-18	2,500	2,500	2,500
10.00% Series 20E	10	100	15-Jan-18	1,000	1,000	1,000
9.00% Series34A	10	1,050	07-Aug-17	10,500	10,500	-
9.11% Series33F	10	1,250	17-Jul-17	12,500	12,500	-
9.06% Series33E	10	220	06-Jul-17	2,200	2,200	-
9.05% Series31C	10	1,000	30-May-17	10,000	10,000	-
9.11% Series33DI	10	115	24-May-17	1,150	1,150	-
8.98% Series31B	10	395	11-Apr-17	3,950	3,950	-
10.29% Series 27G	5	360	27-Jan-17	-	1,800	1,800
10.00% Series20D	10	100	15-Jan-17	-	1,000	1,000
8.96% Series33B	10	250	09-Jan-17	-	2,500	-
10.80% Series 27D	5	500	07-Nov-16	-	2,500	2,500
10.95% Series 27A	5	200	18-Oct-16	-	1,000	1,000
10.95% Series 26	5	3,000	07-Oct-16	-	7,890	15,000
10.30% Series 27I	5	240	16-May-16	-	1,200	1,200
10.34% Series 27H	5	160	18-Apr-16	-	800	800
10.25% Series 27J	5	1,000	18-Apr-16	-	5,000	5,000
8.85% Series 29B	5	1,000	18-Jan-16	-	-	5,000
10.00% Series 20C	10	100	15-Jan-16	-	-	1,000
10.25% Series19	10	750	11-Jan-16	-	-	7,500
8.92% Series 30AI	5	2,000	24-Dec-15	-	-	10,000

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Particulars	Face Value	Quantity	Date of Redemption	31 March 2017	31 March 2016	31 March 2015
8.83% Series 30All	5	1,100	18-Dec-15	-	-	5,500
10.50% Series 18	10	2,000	11-Dec-15	-	-	20,000
11.10% Series 17	10	1,660	04-Sep-15	-	-	16,600
11.10% Series16	10	2,000	28-Aug-15	-	-	20,000
11.50% Series 14	10	250	21-Aug-15	-	-	2,500
10.00% Series 27B	5	150	20-Apr-15	-	-	750
Total				4,67,230	2,96,990	2,04,650

Particulars of Unsecured Redeemable Non-convertible Debentures:

(In ₹ Lakhs)

Particulars	Face Value	Quantity	Date of Redemption	31 March 2017	31 March 2016	31 March 2015
11.40% Series 27	10	250	22-Jan-16	-	-	2,500
Total				-	-	2,500

Particulars of Unsecured Redeemable Non-convertible Debentures (Subordinated Debt):

(In ₹ Lakhs)

Particulars	Face Value	Quantity	Date of Redemption	31 March 2017	31 March 2016	31 March 2015
9.25% Sub debts Series 10	10	250	23-Mar-26	2,500	2,500	-
9.30% Sub debts Series 9II	10	250	25-Feb-26	2,500	2,500	-
9.50% Sub debts Series 7I	10	1,000	13-Oct-25	10,000	10,000	-
9.50% Sub debts Series 5I	10	250	10-Jun-25	2,500	2,500	-
9.60% Sub debts Series 4	10	500	26-Dec-24	5,000	5,000	5,000
10.50% Sub debts Series 3	5	1,000	28-Oct-23	5,000	5,000	5,000
9.30% Sub debts Series 9I	10	250	25-Apr-23	2,500	2,500	-
11.40% Sub debts Series 2C	10	500	28-Oct-22	5,000	5,000	5,000
9.40% Sub debts Series 7II	10	500	13-Oct-22	5,000	5,000	-
11.40% Sub debts Series 2B	10	400	28-Sep-22	4,000	4,000	4,000
11.40% Sub debts Series 1B	10	481	14-Sep-22	4,810	4,810	4,810
9.40% Sub debts Series 6II	10	250	03-Aug-22	2,500	2,500	-
9.40% Sub debts Series 5II	10	200	10-Jun-22	2,000	2,000	-
9.50% Sub debts Series 8	10	250	25-Jun-21	2,500	2,500	-
11.25% Sub debts Series 2A	10	100	27-Jun-18	1,000	1,000	1,000
11.25% Sub debts Series 1A	10	519	14-Jun-18	5,190	5,190	5,190
9.30% Sub debts Series 11	10	210	30-Apr-26	2,100	-	-
8.75% Sub debts Series 12(i)	10	250	26-Apr-24	2,500	-	-
8.75% Sub debts Series 12(ii)	10	250	25-Apr-25	2,500	-	-
Total				69,100	62,000	30,000

6. Other Long Term Liabilities

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Interest accrued but not due on debentures	2,084	1,969	497
Employee benefits payable	1,112	1,157	753
Unamortised income			
Unamortised loan processing fees	7,561	5,136	5,015
Unamortised income on securitisation	7	42	-
Others	185	187	250
Total	10,949	8,491	6,515

7. Provisions

(In ₹ Lakhs)

Particulars	Long Term			Short Term		
	31 March 2017	31 March 2016	31 March 2015	31 March 2017	31 March 2016	31 March 2015
Provision for employee benefits						
Provision for gratuity (refer note 33)	22	10	-	-	35	170
Provision for superannuation	-	-	-	1	-	46
Provision for leave benefits	-	-	-	57	26	34
Other provisions						
Provision for standard assets (refer note 2.2)	15,922	5,727	3,477	8,419	2,742	1,687
Provision for sub-standard assets	12,087	7,350	4,494	-	-	-
Provision for securitised loans	2	10	-	32	24	-
Provision for security deposits	86	86	86	-	-	-
Total	28,119	13,183	8,057	8,509	2,827	1,937

8. Short-term borrowings

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Loan repayable on demand			
Cash credit from banks (unsecured)	9,963	7,503	5
Other loans and advances			
Indian rupee loan from banks (secured)*	-	-	1,500
Indian rupee loan from banks (unsecured)	-	5,000	-
Commercial paper (unsecured)* *	1,09,748	1,09,187	88,910
Total	1,19,711	1,21,690	90,415
The above amount includes			
Secured borrowings	-	-	1,500
Unsecured borrowings	1,19,711	1,21,690	88,915
Total	1,19,711	1,21,690	90,415

**Commercial paper carries interest in the range of 6.90% to 8.70% p.a. and tenure of 182 to 365 days repayable in bullet payment.

*Cash credit from banks and Indian rupee loan from bank is secured by first pari passu charge over all loan receivables.

9. Other current liabilities

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Other liabilities			
Current maturities of long term borrowings (refer note 5)	1,82,746	2,09,523	1,92,579
Expenses and other payable (refer note 34 for details of dues to Micro Small and Medium Enterprises)	9,620	9,186	7,051
Employee benefits payable	6,410	5,567	4,839
Bank balances (Book overdraft)	24,341	41,014	32,425
Interest accrued but not due			
On debentures	27,576	15,093	11,461
On bank loans	708	763	359
On others	-	-	1
Undisputed statutory dues payable	765	971	897
Payable towards asset assignment / securitisation	3,273	4,024	335
Others	8,169	7,713	5,572
Unamortised income			
Unamortised loan processing fees	5,063	7,810	5,558
Unamortised income on securitisation	35	91	-
Total	2,68,706	3,01,755	2,61,078

10. Tangible assets

(In ₹ Lakhs)

Particulars	Office Equipments	Furniture & Fixtures	Computers & Accessories	Leasehold Improvements	Vehicles	Land & Building*	Leased assets	Total
Cost								
At 1 April 2014	2,678	2,384	4,285	3,392	65	6	96	12,906
Addition	518	232	647	95	65	-	28	1,585
Disposals	431	131	588	219	42	-	-	1,412
At 31 March 2015	2,765	2,485	4,344	3,268	88	6	125	13,080
Addition	559	458	774	419	-	-	13	2,223
Disposals	131	152	157	138	-	-	-	578
At 31 March 2016	3,193	2,791	4,961	3,549	88	6	138	14,725
Addition	737	595	1,618	439	85	-	-	3,475
Disposals	200	312	78	438	-	-	-	1,028
At 31 March 2017	3,730	3,074	6,501	3,550	173	6	138	17,172
Depreciation								
At 1 April 2014	2,096	1,962	3,669	2,762	65	-	13	10,567
Charge for the year	368	277	443	323	4	-	29	1,445
Disposals	430	124	588	216	42	-	-	1,401
At 31 March 2015	2,034	2,115	3,524	2,868	27	-	42	10,611
Charge for the year	426	283	579	357	16	-	34	1,696
Disposals	128	146	156	134	-	-	-	564
At 31 March 2016	2,332	2,252	3,947	3,092	44	-	76	11,743
Charge for the year	512	346	850	249	26	-	34	2,017

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Particulars	Office Equipments	Furniture & Fixtures	Computers & Accessories	Leasehold Improvements	Vehicles	Land & Building*	Leased assets	Total
Disposals	195	300	77	436	-	-	-	1,008
At 31 March 2017	2,649	2,298	4,720	2,905	70	-	110	12,751
Impairment								
At 1 April 2014	8	14	3	13	-	-	-	38
Additions	-	-	-	-	-	-	-	-
Charge/(release) for the year	-	-	-	-	-	-	-	-
At 31 March 2015	8	14	3	13	-	-	-	38
Additions	-	-	-	-	-	-	-	-
Charge/(release) for the year	(8)	(14)	(3)	(13)	-	-	-	(38)
At 31 March 2016	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Charge/(release) for the year	-	-	-	-	-	-	-	-
At 31 March 2017	-	-	-	-	-	-	-	-
Net Block								
At 31 March 2015	723	356	818	386	61	6	83	2,432
At 31 March 2016	860	539	1,014	457	44	6	62	2,983
At 31 March 2017	1,081	776	1,781	645	103	6	28	4,421
The Company does not have any other leasehold assets except as disclosed above.								
All assets have been recognized at cost								
Capital Work in Progress								
At 31 March 2015	38	1	197	2	-	-	-	237
At 31 March 2016	6	2	266	1	-	-	-	276
At 31 March 2017	133	55	104	-	-	-	-	292

* Mortgaged as security against secured non-convertible debentures

11. Intangible assets

(In ₹ Lakhs)

Particulars	Computer Software	Total
Gross block		
At 1 April 2014	6,094	6,094
Additions	384	384
Disposals	319	319
At 31 March 2015	6,159	6,159
Additions	1,940	1,940
Disposals	325	325
At 31 March 2016	7,774	7,774
Additions	1,380	1,380
Disposals	-	-
At 31 March 2017	9,154	9,154
Amortisation		

At 1 April 2014	4,461	4,461
Charge for the year	864	864
Deductions	263	263
At 31 March 2015	5,062	5,062
Charge for the year	742	742
Deductions	71	71
At 31 March 2016	5,733	5,733
Charge for the year	782	782
Deductions	-	-
At 31 March 2017	6,515	6,515
Net block		
At 31 March 2015	1,096	1,096
At 31 March 2016	2,040	2,040
At 31 March 2017	2,639	2,639
Capital Work in Progress		
At 31 March 2015	890	890
At 31 March 2016	113	113
At 31 March 2017	68	68

12. Non-current investments

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Non Trade Investments (valued at cost unless stated otherwise)			
Investment in equity instruments (unquoted)			
a) Others			
50,000 (31 March 2016: 50,000, 31 March 2015: 50,000) equity shares of ₹ 10 each fully paid-up in Alpha Micro Finance Consultants Private Limited	5	5	5
8,397 (31 March 2016: Nil, 31 March 2015: Nil) equity shares of ₹ 10 each fully paid-up in Digilend Analytics and Technology Pvt. Ltd.	100	-	
Net Value	105	5	5
Aggregate amount of unquoted investments	105	5	5

13. Deferred tax asset

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Deferred tax liability			
Unamortised ancillary cost of borrowings	345	1,346	1,063
Unamortised loan origination costs	3,248	3,184	2,584
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting (FIHFCL)	7	3	-
Gross deferred tax liability (A)	3,600	4,533	3,647
Deferred tax assets			

Particulars	31 March 2017	31 March 2016	31 March 2015
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	234	175	284
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	1,644	1,853	2,012
Provision for diminution in the value of investments	140	32	356
Provision for standard assets,doubtful debts and advances	11,684	5,476	3,342
Provision for security deposits	30	30	30
Unamortised loan processing fees	4,369	4,480	3,659
Provision for expenses disallowed as per Income-tax Act, 1961	415	554	322
Interest income on non-performing loans recognised for tax purposes	1,128	554	-
Provision for Gratuity (FIHFCL)	6	1	-
Unabsorbed carried forward losses (FIHFCL)	289	78	-
Preliminary expenses (FIHFCL)	49	-	-
Gross deferred tax asset (B)	19,987	13,232	10,005
Net deferred tax asset (B-A)	16,387	8,699	6,358
Net deferred tax asset recognised (refer note below)	15,804	8,613	-

Note:

The subsidiary, FIHFCL, has not recognised net deferred tax asset amounting to ₹ 583 Lakhs in the absence of virtual certainty supported by convincing evidence that sufficient taxable income will be available in future years against which such deferred tax asset can be realised.

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For the previous year, the Company did not recognise net deferred tax assets in the absence of virtual certainty supported by convincing evidence that sufficient taxable income will be available in future years against which such deferred tax asset can be realised.

The subsidiary, FIHFCL, has not recognised net DTA in the absence of virtual certainty supported by convincing evidence that sufficient taxable income will be available in future years against which such deferred tax asset can be realised.

14. Loans and advances

(In ₹ Lakhs)

Particulars	Non-current			Current		
	31 March 2017	31 March 2016	31 March 2015	31 March 2017	31 March 2016	31 March 2015
(A) Portfolio loans						
a. Secured, considered good*						
Loans	4,64,318	4,56,051	3,28,881	73,129	57,432	45,022
b. Secured, considered doubtful**						
Loans	32,270	16,314	12,722	-	-	-
c. Unsecured, considered good*						
Loans	2,88,066	2,77,784	2,39,584	3,11,921	2,93,400	2,30,803
d. Unsecured, considered doubtful**						
Loans	5,519	5,178	3,963	-	-	-

Particulars	Non-current			Current		
	31 March 2017	31 March 2016	31 March 2015	31 March 2017	31 March 2016	31 March 2015
Sub-Total	7,90,173	7,55,327	5,85,150	3,85,050	3,50,832	2,75,826
(B) Security deposits						
Unsecured, considered good	1,739	1,594	1,407	91	102	38
Unsecured, considered doubtful	86	86	86	-	-	-
Sub-Total	1,825	1,680	1,493	91	102	38
(C) Advances recoverable in cash or in kind or for value to be received						
Unsecured, considered good	384	645	440	5	-	-
Sub-Total	384	645	440	5	-	-
(D) Other loans and advances						
Retained interest receivable on securitisation	15	52	-	33	106	-
Adv. Income Tax (net of provision for tax)	2,210	1,322	370	-	-	-
MAT credit entitlement (refer note 35)	6,126	12,677	14,136	-	-	-
Prepaid expenses	6	16	34	1,149	812	638
Loans and advances to employees	25	7	6	8	9	9
Others	10	6	6	11,062	989	759
Sub-Total	8,392	14,080	14,552	12,252	1,916	1,406
(E) Capital advances						
Unsecured, considered good	375	552	158	-	-	-
Sub-Total	375	552	158	-	-	-
Total (A+B+C+D+E)	8,01,149	7,72,284	6,01,793	3,97,398	3,52,850	2,77,270

* Represents standard assets in accordance with Company's asset classification policy (refer note 2.1 (g) and 2.2)

** Represents non-performing assets in accordance with Company's asset classification policy (refer note 2.1 (g))

15. Other assets

(In ₹ Lakhs)

Particulars	Non-current			Current		
	31 March 2017	31 March 2016	31 March 2015	31 March 2017	31 March 2016	31 March 2015
Non-Current bank balances (refer note 18)	9,896	224	-	-	-	-
Unamortised ancillary cost of borrowings	652	2,707	1,726	346	1,183	1,346
Unamortised loan origination costs	6,397	6,013	4,514	2,989	3,188	2,953
Surplus in gratuity fund	-	-	-	106	-	-
Interest accrued and due						
On secured loans	-	-	-	629	542	323
On unsecured loans	-	-	-	3,227	683	607
Interest accrued but not due						
On deposits placed with banks	2	-	-	2,532	2,464	1,406
On government securities	-	-	-	271	-	7
On debentures and bonds	-	-	-	1,027	168	106
On secured loans	-	-	-	5,161	5,713	3,599

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On unsecured loans	-	-	-	8,981	7,975	7,667
Other assets	-	-	-	2	2	2
Total	16,947	8,944	6,240	25,271	21,918	18,016

16. Current investments

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Current investments (valued at lower of cost and fair value, unless stated otherwise)			
a) Quoted: Government securities			
2,000,000 (31 March 2016: Nil) units 7.61 % 2030 Government Securities	2,072	-	-
7,000,000 (31 March 2016: Nil) units 7.59 % 2026 Government Securities	7,337	-	-
3,500,000 (31 March 2016: Nil) units 6.97 % 2026 Government Securities	3,567	-	-
7,500,000 (31 March 2016: Nil) units 0% INR GOI TB 18/01/2018	7,089	-	-
5,000,000 (31 March 2016: Nil) units 0% INR GOI TB 01/06/2017	4,938	-	-
Nil (31 March 2015: 5,000) units 8.40 % 2024 Government of India			522
b) Unquoted: Certificate of deposits			
15,000 (31 March 2016: 22,500, 31 March 2015: 2,500) units of ₹ 100,000 each of Axis Bank Ltd	14,414	21,759	2,409
16,500 (31 March 2016: 17,500, 31 March 2015: 10,000) units of ₹ 100,000 each of ICICI Bank Ltd	16,116	16,966	9,469
19,500 (31 March 2016: Nil) units of ₹ 100,000 each of NABARD	18,509	-	-
20,000 (31 March 2016: Nil) units of ₹ 100,000 each of Kotak Mahindra Bank Ltd	19,322	-	-
5,000 (31 March 2016: Nil) units of ₹ 100,000 each of IndusInd Bank Ltd	4,783	-	-
11,000 (31 March 2016: Nil) units of ₹ 100,000 each of IDFC Bank Limited	13,726	-	-
5,000 (31 March 2016: Nil) units of ₹ 100,000 each of SIDBI	8,456	-	-
2,500 (31 March 2016: Nil) units of ₹ 100,000 each of HDFC Bank	2,472	-	-
2,500 (31 March 2016: Nil) units of ₹ 100,000 each of Credit Suisse	2,470	-	-
Nil (31 March 2016: 10,000, 31 March 2015: 2,500) units of ₹ 100,000 each of Canara Bank	-	9,312	2,465
Nil (31 March 2016: 7,500) units of ₹ 100,000 each of IDBI Bank Limited	-	7,363	-
Nil (31 March 2016: 2,500) units of ₹ 100,000 each of DCB Bank	-	2,466	-
Nil (31 March 2016: 5,000) units of ₹ 100,000 each of State Bank of Hyderabad	-	4,666	-
Nil (31 March 2015: 5,000) units of ₹ 100,000 each of Union Bank of India	-	-	4,928
Nil (31 March 2015: 2,500) units of ₹ 100,000 each of Corporation Bank	-	-	2,477
Nil (31 March 2015: 2,500) units of ₹ 100,000 each of Punjab National Bank	-	-	2,471
Nil (31 March 2015: 2,500) units of ₹ 100,000 each of Kotak Mahindra Bank	-	-	2,366
c) Unquoted: Investment in Commercial Papers			
3,000 (31 March 2016: 4,000, 31 March 2015: 2,500) units of ₹ 500,000 each of Housing Development Finance Corporation Ltd.	14,594	19,644	12,286
Nil (31 March 2015: 1,000) units of ₹ 500,000 each of Bajaj Finance Ltd.	-	-	4,878
Nil (31 March 2015: 500) units of ₹ 500,000 each of Tata Capital Ltd.	-	-	2,405
d) Unquoted: Mutual funds (At net asset value)			
191,330.67 (31 March 2016: Nil, 31 March 2015: Nil) units of ₹ 1,000 each in Tata Money Market Fund Option - Direct Plan - Growth	4,904	-	-
14,296,676.46 (31 March 2016: Nil, 31 March 2015: Nil) units of ₹ 10	4,903	-	-

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Particulars	31 March 2017	31 March 2016	31 March 2015
each in Sundaram Money Fund - Direct Plan - Growth 318,378.27 (31 March 2016: Nil, 31 March 2015: Nil) units of ₹ 1,000	7,405	-	
each in DSP BlackRock Liquidity Fund - Direct Plan - Growth 154,897.41 (31 March 2016: Nil, 31 March 2015: Nil) units of ₹ 1,000	3,953	-	
each in SBI Premier Liquid Fund - Direct Plan -Growth 271,860.71 (31 March 2016: Nil, 31 March 2015: Nil) units of ₹ 1,000	4,902	-	-
each in Axis Liquid Fund - Direct Plan - Growth Option 273,651.25 (31 March 2016: Nil, 31 March 2015: Nil) units of ₹ 1,000	8,781	-	-
each in HDFC Liquid Fund - Direct Plan - Growth Option Nil (31 March 2016: 624,183.35, 31 March 2015: Nil) units of ₹ 10 each	-	1,308	
in ICICI Prudential Money Market Fund - Direct Growth Nil (31 March 2016: 218,036.11, 31 March 2015: Nil) units in Birla Sun	-	531	
Life Cash Plus - Growth - Direct Plan Nil (31 March 2016: 24,480.17, 31 March 2015: Nil) units DSP BlackRock	-	531	
Liquidity Fund - Direct Plan - Growth Nil (31 March 2016: 22,644.38, 31 March 2015: Nil) units in Reliance	-	554	
Liquid Fund - Cash Plan - Direct Plan - Growth Nil (31 March 2016: 16,786.28, 31 March 2015: Nil) units in Franklin	-	380	
India Treasury Management Account - Super Institutional - Direct - Growth	-		
e) Quoted: Investment in Corporate Bonds			
1,000 (31 March 2016: Nil,31 March 2015: Nil) units of 8.57% Bond ₹ 5,00,000 each fully paid up in HDFC Ltd.	5,063	-	
1,000 (31 March 2016: Nil, 31 March 2015: Nil) units of 8.29% NCD ₹ 1,000,000 each fully paid up in NABARD.	10,156	-	
500 (31 March 2016: Nil, 31 March 2015: Nil) units of 8.40% NCD ₹ 1,000,000 each fully paid up in PFC Ltd.	5,073	-	
f) Unquoted: Investment in Corporate Bonds			
Nil (31 March 2016: 150, 31 March 2015: 150) units of 9.84% NCD ₹ 1,000,000 each fully paid up in HDFC Ltd	-	1,510	1,507
Nil (31 March 2016: 250, 31 March 2015: 250) units of 9.75% NCD ₹ 1,000,000 each fully paid up in LIC Housing Finance Ltd.	-	2,525	2,501
Nil (31 March 2016: 250, 31 March 2015: Nil) units of 8.28% NCD ₹ 1,000,000 each fully paid up in Rural Electrification Corporation Limited	-	2,507	-
g) Unquoted: Investment in preference shares			
Nil (31 March 2016: Nil,31 March 2015: 93,68,921) 1% preference shares of ₹ 10 each fully paid-up in Bhartiya Samruddhi Finance Limited	-	-	937
g) Unquoted: Investment in equity shares			
6,68,328 (31 March 2016: 6,68,328) equity shares of ₹ 10 each fully paid-up in SWAWS Credit Corporation India Private Limited	67	67	67
h) Unquoted: Investment in debentures			
22,278 (31 March 2016: 22,278) units of ₹ 100 each fully paid-up 12% Optionally Convertible Debentures in SWAWS Credit Corporation India Private Limited	22	22	22
(A)	1,95,094	92,111	51,710
Less: Provision for diminution in value (B)	(89)	(89)	(1,026)
	1,95,005	92,022	50,684
Net Value ((A)-(B))	1,95,005	92,022	50,684
Aggregate Amount of quoted investment (at Cost Price: Rs 45,000 lacs , (31 March 2016:Nil, 31 March 2015:Rs. 522)	45,292	-	522
Aggregate Amount of unquoted investment (at Cost Price Rs 1,49,501, (31 March 2016: Rs 92,022, 31 March 2015: Rs 48,553))	1,49,713	92,022	50,162

17. Trade receivables

(In ₹ Lakhs)

Particulars	Non-Current			Current		
	31 March 2017	31 March 2016	31 March 2015	31 March 2017	31 March 2016	31 March 2015
Other receivable						
Unsecured, considered good	-	-	-	381	657	254
Total	-	-	-	381	657	254

18. Cash and bank balances

(In ₹ Lakhs)

Particulars	Non-Current			Current		
	31 March 2017	31 March 2016	31 March 2015	31 March 2017	31 March 2016	31 March 2015
Cash and cash equivalents:						
Cash on hand	-	-	-	948	1,127	1,151
Balances with Banks						
- On Current accounts	-	-	-	7,714	12,093	7,794
- Deposits with original maturity of less than 3 months	-	-	-	1,100	-	-
(A)	-	-	-	9,762	13,220	8,945
Other bank balances						
- Deposits with original maturity for more than 12 months*	9,896	224	-	40,823	52,491	20,400
- Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	4,346	16,576	25,735
(B)	9,896	224	-	45,169	69,067	46,135
((A)+(B))	9,896	224	-	54,931	82,287	55,080
Less: amount disclosed under non-current assets (refer note15) (C)	(9,896)	(224)	-	-	-	-
Total ((A)+(B)+(C))	-	-	-	54,931	82,287	55,080

* 31st Mar 2017 ₹ 224 Lakhs, 31 March 2016 ₹ 224 Lakhs (31st March 2015: Nil) pledged as cash collateral in connection with securitisation of loan portfolio

19. Revenue from operations

(In ₹ Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Interest income on loans	2,29,135	1,93,234	1,50,214
Income from asset assignment and securitisation	3,156	1,161	453
Interest on bank deposits	5,822	5,270	3,042
Interest on investments	3,458	5,388	3,500
Other operating revenue			
Processing fees	13,783	12,049	6,822
Ancillary income from operations	4,808	4,255	3,832
Total	2,60,162	2,21,357	1,67,863

20. Other income

(In ₹ Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Profit on sale of investments	3,296	3,918	1,941
Profit on sale of fixed assets (net)	18	22	38
Miscellaneous income	3,232	2,628	2,221
Total	6,546	6,568	4,200

21. Employee benefit expenses

(In ₹ Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Salaries, bonus and allowances	41,654	33,595	27,290
Contribution to provident and other funds	1,607	1,103	978
Gratuity expense (refer note 33)	438	351	333
Staff welfare expenses	1,436	1,162	955
Total	45,135	36,211	29,556

22. Other expenses

(In ₹ Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Printing and stationery	1,187	1,003	844
Rent	3,365	2,712	2,395
Rates and taxes	349	606	276
Insurance	8	36	23
Business promotion expenses	304	1,028	1,399
Commission, Brokerage and Lead Generation	6,521	6,141	3,249
Legal charges	226	242	164
Professional Charges	6,651	6,165	4,683
Collection expenses	3,599	4,145	4,328
Courier charges	475	414	350
Repairs and maintenance			
Office premises	1,397	1,446	1,129
Others	891	727	940
Directors' sitting fees	48	33	14
Travelling expenses	2,316	1,978	2,079
Telecommunication expenses	1,099	866	738
Payment to auditor (refer details below)	64	62	42
Electricity charges	778	732	660
Security charges	259	181	159
Recruitment expenses	223	193	143
Training expenses	387	397	283
Fees and subscription	49	37	22
Corporate social responsibility expenses	613	518	94
Miscellaneous expenses	879	1,232	708
Write off of fixed assets and intangible assets	4	265	66

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Total	31,692	31,160	24,788
Payment to auditors			
As auditor:			
Audit fee	43	41	28
Tax audit fee	7	6	4
Limited review	6	5	5
In other capacity:			
Certification matters	4	7	4
Reimbursement of expenses	4	3	1

23. Finance costs

(In ₹ Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Interest			
On loans from banks	51,364	49,671	32,662
On debentures	44,433	31,557	27,360
Premium/discount on redemption of debentures	-	65	176
Discount on commercial papers	7,043	11,449	8,635
Amortisation of ancillary borrowing costs	590	1,490	1,466
Interest on advance tax	-	-	1
Bank charges and Others	654	844	561
Total	1,04,084	95,076	70,861

24. Provisions and write offs

(In ₹ Lakhs)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Bad debts written off during the year (net of recoveries)	30,151	14,371	11,520
Provision against assigned loans	21	3	(761)
Provision against standard assets	15,871	3,305	1,414
Provision against sub standard assets	4,738	2,856	2,244
Provision for diminution in value of investments	-	(9)	-
Unrealised loss on investments	314	-	0
Total	51,095	20,526	14,417

25. Earnings per equity share

Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Profit after Tax (₹ Lakhs)	20,211	39,258	30,120
Weighted average number of shares used in computing basic EPS	1,92,16,45,550	1,88,25,68,461	1,85,86,61,357
Weighted average number of equity shares in calculating diluted EPS	1,92,16,45,550	1,88,25,68,461	1,85,86,61,357
Earnings per Share :			
Basic (₹)	1.05	2.09	1.62
Diluted (₹)	1.05	2.09	1.62
[Nominal value of shares ₹ 10 each (Previous Year : ₹ 10)]			

26. Segment information

The Company operates in a single reportable segment i.e. financing, which has similar risks and returns for the purpose of AS - 17 on 'Segment Reporting' specified under section 133 of the Act, read with rules 7 of Companies (Accounts) Rules, 2014. The Company operates in single geographical segment, i.e. domestic.

27. Related Party Disclosures

Names and other details of related parties

Ultimate Holding Company	Temasek Holdings (Private) Limited
Holding Companies	Angelica Investments Pte Ltd, Singapore ('Angelica')
	Fullerton Financials Holdings Pte Ltd (Holding Company of Angelica)
Fellow Subsidiary	Fullerton Securities & Wealth Advisors Ltd.
	Fullerton Financial Holdings (International) Pte Ltd
	Temasek International (Private) Limited
Key Management Personnel	Mr. Shantanu Mitra, Chief Executive Officer and Managing Director

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(In ₹ Lakhs)

Transactions during the year	Holding Companies		Subsidiaries		Key Management Personnel		Fellow Subsidiary		Total	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Reimbursement for expenses incurred on behalf of the Company	3	2	-	-	-	-	10	15	13	17
Expenses incurred by the Company on behalf of others	-	-	-	-	-	-	1	1	1	1
Issue of Share capital (including securities premium)	20,000	15,000	-	-	-	-	-	-	20,000	15,000
Salary and employee benefits										
Mr. Shantanu Mitra	-	-	-	-	1,172	674	-	-	1,172	674

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(In ₹ Lakhs)

Transactions during the year	Holding Companies	Subsidiaries	Key Management Personnel	Fellow Subsidiary	Total
Reimbursement for expenses incurred on behalf of the Company	3	-	-	35	38
Expenses incurred by the Company on behalf of others	-	-	-	1	1
Mr. Shantanu Mitra	-	-	720	-	720
Balance outstanding as at the year end					

28. Leases**a) Where the Company is the lessee:**

Premises are obtained on operating lease. The lease term ranges from 11 months to 134 months and are renewable/cancellable at the option of the Company. Certain lease agreements contain clause for escalation of lease payments. There are no restrictions imposed by lease arrangements. There are no subleases. Lease payments during the year are charged to the Statement of Profit and Loss.

The following table sets forth, for the periods indicated, the details of future rentals payable on operating leases.

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Operating lease payments recognized during the year	3,812	3,063	2,756
Minimum Lease Obligations			
Not later than one year	3,539	2,755	2,374
Later than one year but not later than five years	10,198	7,473	2,327
Later than five years	4,419	2,246	533

b) Where the Company is the lessor:

The Company has entered into operating lease arrangement for servers which form part of the tangible assets. This lease has a non-cancellable arrangement of 3 years. This lease contains a clause to enable upward revision of the rental charges on an annual basis according to prevailing market conditions.

The following table sets forth, for the periods indicated, the details of future rentals receivable on operating leases where company is a lessor:

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Operating lease rental recognized during the year	35	32	31
Minimum Lease Obligations			
Not later than one year	24	35	32
Later than one year but not later than five years	11	34	53
Later than five years	-	-	-

29. Cash and cash equivalents for the purpose of cash flow statement

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Cash and Bank Balance (refer note 18)	54,931	82,287	55,080
Bank Balance (Book Overdraft) (refer note 9)			
Less: Other bank balances (refer note 18)	(45,169)	(69,067)	(46,135)
Balance considered as Cash and Cash Equivalents for Cash Flow Statement	9,762	13,220	8,945

30. Contingent Liability and commitments**a) Contingent liabilities:**

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Credit enhancement provided by the Company for the loans under securitisation arrangements (including cash collaterals and interest subordination)	270	282	-
Contingent liability for litigations pending against the Company	23	36	20

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	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
	December 2014	December 2016	December 2017	December 2018	December 2019	December 2020
	Tranche III: 34% vesting on 1st December 2015	Tranche III: 34% vesting on 1st December 2017	Tranche III: 34% vesting on 1st December 2018	Tranche III: 34% vesting on 1st December 2019	Tranche III: 34% vesting on 1st December 2020	Tranche III: 34% vesting on 1st December 2021
Vesting period (including performance period)	Tranche I: 2 years	Tranche I: 2 years 8 months	Tranche I: 3 years 8 months			
	Tranche II: 3 years	Tranche II: 3 years 8 months	Tranche II: 4 years 8 months			
	Tranche III: 4 years	Tranche III: 4 years 8 months	Tranche III: 5 years 8 months			
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of last vesting.					
Method of Settlement	Cash Payout					

The estimated fair value of the grant at a notional value of ₹ 10 per unit (as at the date of grant) is as below:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6
31 March 2017	₹ 27.56	₹ 19.97	₹ 19.97	₹ 17.01	₹ 13.74	₹ 10.89
31 March 2016	₹ 24.97	₹ 18.22	₹ 18.22	₹ 15.52	₹ 12.54	Nil
31 March 2015	₹ 19.49	₹ 14.53	₹ 14.53	₹ 12.38	Nil	Nil
As at 31 March 2014	₹ 15.36	₹ 11.74	₹ 11.74	Nil	Nil	Nil
As at 31 March 2013	₹ 12.78	Nil	Nil	Nil	Nil	Nil
As at 31 March 2012	₹ 10.42	Nil	Nil	Nil	Nil	Nil
Exercise price Vest 1	₹ 12.78	₹ 14.53	₹ 18.22	Nil	Nil	Nil
Exercise price Vest 2	₹ 15.36	₹ 18.22	Nil	Nil	Nil	Nil
Exercise price Vest 3	₹ 19.49	Nil	Nil	Nil	Nil	Nil

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the business.

Adjustment has been made for the resignations during the year ended 31 March 2017 and the consequential impact of forfeiture of the grant.

The movement of the stock appreciation rights during the year is as under:

Financial Year 2016-17

Particulars (No. of Options)	Grant - 1	Grant - 2	Grant - 3	Grant - 4	Grant - 5	Grant - 6	Total	Rs. Lakhs
Grants outstanding at the beginning of the year	10,22,000	41,68,400	46,30,000	63,50,000	74,75,000	-	2,36,45,400	2,365
Grants made during the year	-	-	-	-	-	93,50,000	93,50,000	935
Grants forfeited on resignation of employees		3,14,900	5,00,000	8,00,000	7,50,000	10,00,000	33,64,900	336
Grants vested	-	92,400	99,000	-	-	-	1,91,400	19

FULLERTON INDIA CREDIT COMPANY LIMITED

Particulars (No. of Options)	Grant - 1	Grant - 2	Grant - 3	Grant - 4	Grant - 5	Grant - 6	Total	Rs. Lakhs
Grants exercised	8,80,400	19,76,700	10,32,900	-	-	-	38,90,000	389
Grants outstanding – unvested at the end of the year	-	14,28,000	27,67,100	55,50,000	67,25,000	83,50,000	2,48,20,100	2,482
Grants outstanding – vested and exercisable	1,41,600	4,48,800	3,30,000	-	-	-	9,20,400	92
Expense arising from the grants made till 31 March 2017 (Rupees Lakhs)	4	90	144	231	245	218	931	931

Financial Year 2015-16

	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5
Date of Grant	30 Nov 2011	1 April 2013	1 April 2013	1 April 2014	1 April 2015
Value of the Grant	₹ 568 Lakhs	₹ 706 Lakhs	₹ 741 Lakhs	₹ 750 Lakhs	₹ 800 Lakhs
Performance Condition	Achievement of Profit before tax (PBT) and Return on Equity (ROE) targets as per approved business plan				
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on 1st December 2013	Tranche I: 33% vesting on 1st December 2015	Tranche I: 33% vesting on 1st December 2016	Tranche I: 33% vesting on 1st December 2017	Tranche I: 33% vesting on 1st December 2018
	Tranche II: 33% vesting on 1st December 2014	Tranche II: 33% vesting on 1st December 2016	Tranche II: 33% vesting on 1st December 2017	Tranche II: 33% vesting on 1st December 2018	Tranche II: 33% vesting on 1st December 2019
	Tranche III: 34% vesting on 1st December 2015	Tranche III: 34% vesting on 1st December 2017	Tranche III: 34% vesting on 1st December 2018	Tranche III: 34% vesting on 1st December 2019	Tranche III: 34% vesting on 1st December 2020
Vesting period (including performance period)	Tranche I: 2 years	Tranche I: 2 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months
	Tranche II: 3 years	Tranche II: 3 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months
	Tranche III: 4 years	Tranche III: 4 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of last vesting.				
Method of Settlement	Cash Payout				

The estimated fair value of the grant at a notional value of ₹ 10 per unit (as at the date of grant) is as below:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5
31 March 2016	₹ 24.97	₹ 18.22	₹ 18.22	₹ 15.52	₹ 12.54
31 March 2015	₹ 19.49	₹ 14.53	₹ 14.53	₹ 12.38	Nil
As at 31 March 2014	₹ 15.36	₹ 11.74	₹ 11.74	Nil	Nil
As at 31 March 2013	₹ 12.78	Nil	Nil	Nil	Nil
Exercise price Vest 1	₹ 12.78	₹ 14.53	Nil	Nil	Nil
Exercise price Vest 2	₹ 15.36	Nil	Nil	Nil	Nil
Exercise price Vest 3	₹ 19.49	Nil	Nil	Nil	Nil

FULLERTON INDIA CREDIT COMPANY LIMITED

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the business.

Adjustment has been made for the resignations during the year ended 31 March 2016 and the consequential impact of forfeiture of the grant.

The movement of the stock appreciation rights granted during the year is as under:

Year ended 31 March 2016

Particulars (No. of Options)	Grant - 1	Grant - 2	Grant - 3	Grant - 4	Grant - 5	Total	Rs. Lakhs
Grants outstanding at the beginning of the year	13,99,800	49,20,000	50,30,000	73,00,000	-	1,86,49,800	1,865
Grants made during the year	-	-	-	-	80,00,000	80,00,000	800
Grants forfeited on resignation of employees	34,000	2,00,500	4,00,000	9,50,000	5,25,000	21,09,500	211
Grants vested	11,08,400	15,90,600	-	-	-	26,99,000	270
Grants exercised	3,43,800	5,51,100	-	-	-	8,94,900	89
Grants outstanding – unvested at the end of the year	-	31,28,900	46,30,000	63,50,000	74,75,000	2,15,83,900	2,158
Grants outstanding – vested and exercisable	10,22,000	10,39,500				20,61,500	206
Expense arising from the grants made till 31 March 2017(Rupees Lakhs)	87	276	236	236	207	1,041	1,041

Financial Year 2014-15

	Grant 1	Grant 2	Grant 3	Grant 4
Date of Grant	30-Nov-11	1-Apr-13	1-Apr-13	1-Apr-14
Value of the Grant	₹ 568 Lakhs	₹ 706 Lakhs	₹ 741 Lakhs	₹ 750 Lakhs
Performance Condition	Achievement of Profit before tax (PBT) and Return on Equity (ROE) targets as per approved business plan	Achievement of Profit before tax (PBT) and Return on Equity (ROE) targets as per approved business plan	Achievement of Profit before tax (PBT) and Return on Equity (ROE) targets as per approved business plan	Achievement of Profit before tax (PBT) and Return on Equity (ROE) targets as per approved business plan
Graded Vesting (subject to achievement of performance condition given above)	Tranche I: 33% vesting on 1st December 2013	Tranche I: 33% vesting on 1st December 2015	Tranche I: 33% vesting on 1st December 2016	Tranche I: 33% vesting on 1st December 2017
	Tranche II: 33% vesting on 1st December 2014	Tranche II: 33% vesting on 1st December 2016	Tranche II: 33% vesting on 1st December 2017	Tranche II: 33% vesting on 1st December 2018
	Tranche III: 34% vesting on 1st December 2015	Tranche III: 34% vesting on 1st December 2017	Tranche III: 34% vesting on 1st December 2018	Tranche III: 34% vesting on 1st December 2019
Vesting period (including	Tranche I: 2 years	Tranche I: 2 years 8 months	Tranche I: 3 years 8 months	Tranche I: 3 years 8 months

FULLERTON INDIA CREDIT COMPANY LIMITED

	Grant 1	Grant 2	Grant 3	Grant 4
Date of Grant	30-Nov-11	1-Apr-13	1-Apr-13	1-Apr-14
performance period)	Tranche II: 3 years	Tranche II: 3 years 8 months	Tranche II: 4 years 8 months	Tranche II: 4 years 8 months
	Tranche III: 4 years	Tranche III: 4 years 8 months	Tranche III: 5 years 8 months	Tranche III: 5 years 8 months
Exercise period	Within 30 days from each vesting date but not later than 2 years from the date of last vesting.			

The estimated fair value of the grant at a notional value of ₹ 10 per unit (as at the date of grant) is as below:

Particulars	Grant 1	Grant 2	Grant 3	Grant 4
As at March 31, 2015	₹ 19.59	₹ 14.53	₹ 14.53	₹ 12.38
As at March 31, 2014	₹ 15.36	₹ 11.74	₹ 11.74	Nil
As at March 31, 2013	₹ 12.78	Nil	Nil	Nil
Exercise price Vest 1	₹ 12.78	Nil	Nil	Nil
Exercise price Vest 2	₹ 15.36	Nil	Nil	Nil

Fair value is computed using the method provided in the scheme for estimating the valuation of the grant which is linked to the Net Book Value of the business.

Adjustment has been made for the resignations during the year ended March 31, 2015 and the consequential impact of forfeiture of the grant.

The movement of the stock appreciation rights granted during the year is as under

(In ₹ Lakhs)

Particulars (No. of Options)	Grant - 1	Grant - 2	Grant - 3	Grant - 4	Grant - 5	Total	Rs. Lakhs
Grants outstanding at the beginning of the year	27,05,000	56,20,000	58,80,000	-	-	1,42,05,000	1,421
Grants made during the year	-	-	-	75,00,000	-	75,00,000	750
Grants forfeited on resignation of employees	3,35,000	7,00,000	8,50,000	2,00,000	-	20,85,000	209
Grants vested	11,08,800	-	-	-	-	11,08,800	111
Grants exercised	9,70,200	-	-	-	-	9,70,200	97
Grants outstanding – unvested at the end of the year	11,42,400	49,20,000	50,30,000	73,00,000	-	1,83,92,400	1,839
Grants outstanding – vested and exercisable	2,57,400	-	-	-	-	2,57,400	26
Expense arising from the grants made till 31 March 2015(Rupees Lakhs)	97	220	170	199	-	686	686

33. Retirement and other employee benefits

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summaries the components of net benefit expense recognised in the Statement of Profit and Loss and the amounts recognised in the balance sheet for the plan.

Statement of Profit and Loss

Gratuity expense (recognised in Employee benefit expense):

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Current service cost	173	243	117
Interest cost on benefit obligation	90	69	54
Expected return on plan assets	(87)	(56)	(27)
Net actuarial (gain)/loss recognised in the year	261	95	189
Past service cost	-	-	-
Net Benefit Expense	437	351	333
Actual return on plan assets	178	41	

Balance Sheet

Details of Provision for gratuity:

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Defined benefit obligation	1,639	1,155	861
Fair value of plan assets	1,723	1,110	691
Less: Unrecognised Past Service Cost	-	-	-
Plan asset/(liability)	84	(45)	(170)

Changes in the present value of the defined benefit obligation are as follows:

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Opening defined benefit obligation	1,154	861	581
Interest cost	90	69	54
Current service cost	173	243	117
Benefits paid	(131)	(99)	(556)
Actuarial (gains)/losses on obligation	353	80	665
Closing defined benefit obligation	1,639	1,155	861

Changes in the fair value of plan assets are as follows:

(In ₹ Lakhs)

Particulars	31 March 2017	31 March 2016	31 March 2015
Opening fair value of plan assets	1,110	691	310
Expected return	87	56	27
Contributions by employer	565	477	435
Benefits paid	(131)	(99)	(556)
Actuarial gains/(losses)	92	(15)	475
Closing fair value of plan assets	1,723	1,110	691

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2017	31 March 2016	31 March 2015
Investments with insurer %	100	100	100

The overall expected rate of return on assets is determined based on the market prices prevailing on that date applicable to the period over which obligation is to be settled. There has been a significant change in the expected rate of return on assets due to the stock market scenario.

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

Particulars	31 March 2017	31 March 2016	31 March 2015
Discount rate	7.22%	7.80%	7.99%
Expected rate of return on assets	7.22%	7.80%	7.99%
Employee Turnover	Category 1 - For basic upto ₹ 1.2 lakhs Upto 4 yrs 42.30% and 5 yrs & above 2% at each age Category 2 - For basic more than ₹ 1.2 lakhs Upto 4 yrs 25.3% and 5 yrs & above 2% at each age	Category 1 - For basic upto ₹ 1.2 lakhs Upto 4 yrs 40.50% and 5 yrs & above 2% at each age Category 2 - For basic more than ₹ 1.2 lakhs Upto 4 yrs 23.1% and 5 yrs & above 2% at each age	Category 1 - For basic upto ₹ 1.2 lakhs Upto 4 yrs 51% and 5 yrs & above 2% at each age Category 2 - For basic more than ₹ 1.2 lakhs Upto 4 yrs 31% and 5 yrs & above 2% at each age
Future Salary rise	10%	10%	10%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current period and previous periods are as follows:

Particulars	(In ₹ Lakhs)				
	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
	Rupees Lakhs	Rupees Lakhs	Rupees Lakhs	Rupees Lakhs	Rupees Lakhs
Defined benefit obligation	1,639	1,154	861	581	253
Plan assets	1,723	1,110	691	310	172
Surplus/(deficit)	(84)	(45)	(170)	(271)	(81)
Experience adjustments on plan liabilities	215	(13)	498	117	64
Experience adjustments on plan assets	92	(15)	475	(5)	-

34. The Company identifies suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) by obtaining confirmations from all suppliers. Based on the information received by the Company, some of the suppliers have confirmed to be registered under MSMED Act, 2006. Accordingly the disclosure relating to amount unpaid as at the year ended together with interest paid/payable is disclosed below:

Sr No	Particulars	(In ₹ Lakhs)		
		31 March 2017	31 March 2016	31 March 2015
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year	69	38	13
2	The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified	-	-	-

	under Micro Small and Medium Enterprise Development Act, 2006.			
4	The amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-	
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-	

35. During the Financial year 2016-17 FICCL has utilised MAT credit entitlement of ₹ 6,551 (Rs 1,427 lakh 31st March 2016) against provision for current tax of ₹ 18,883 lakhs (Rs 11,869 lakh 31st March 2016) (including adjustment of tax relating to earlier years).

36. The subsidiary, FIFSED has made an application to the Regional Director, Western Region, Ministry of Corporate Affairs for its conversion into a private limited company; vide application dated 29 April 2016.

The outcome of the application is awaited as at the balance sheet date

37. Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as required by notification no. G.S.R 308 (E) dated March 30, 2017

(In ₹ Lakhs)

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	2,718	596	3,314
(+) Permitted receipts	-	42,300	42,300
(+) Non-permitted receipts (refer Note a & b below)	3,151	-	3,151
(-) Permitted payments	-	1,609	1,609
(-) Amount deposited in Banks	5,868	40,373	46,241
Closing cash in hand as on December 30, 2016	-	914	914

In the ordinary course of business, the Group collected cash in Specified Bank Notes against loan obligations of the Group aggregating ₹ 2,857 lakhs and in addition, loan borrowers of the Group have directly deposited cash towards their loan repayments into the collection bank accounts of the Group with various banks, aggregating ₹ 289 lakhs, during the period from November 9, 2016 to December 30, 2016. The Group has relied on the denomination wise details provided by its banks for the disclosure of Specified Bank Notes.

a) The Group had issued an advisory to its collection team and branches on November 9, 2016 to refrain from collection of Specified Bank Notes. A major portion of amount mentioned in note a) above relates to collections made before such advisory was issued and represent customer loan repayments in rural branches across the country where collections normally occur, through field collection teams.

38. Additional disclosures required by Schedule III of the Act,

Financial year 2016-17

Name of the entity	Net Assets (Total Assets minus Total Liabilities)		Shares in Profit or Loss	
	As % of Consolidated net assets	Amount ₹ Lakhs	As % of Consolidated net assets	Amount ₹ Lakhs
Parent subsidiaries				
Indian				
1) Fullerton India Home Finance Company Limited	14.60%	47,031	(-6.00%)	(1,218)
2) Fullerton India Social and Economic Development Private Limited (Formerly known as Fullerton India Foundation for Social and Economic Development)	0%	2	0.00%	-
Total	14.60%	47,034	(-6.00%)	(1,218)

Financial year 2015-16

Name of the entity	Net Assets (Total Assets minus Total Liabilities)		Shares in Profit or Loss	
	As % of Consolidated net assets	Amount ₹ Lakhs	As % of Consolidated net assets	Amount ₹ Lakhs
Parent subsidiaries				
Indian				
1) Fullerton India Home Finance Company Limited	2.22%	6242	(1.27%)	(499)
2) Fullerton India Social and Economic Development Private Limited (Formerly known as Fullerton India Foundation for Social and Economic Development)	0%	2	0%	1
Total	2.22%	6244	(-1.27%)	(498)

Financial year 2014-15

Name of the entity	Net Assets (Total Assets minus Total Liabilities)		Shares in Profit or Loss	
	As % of Consolidated net assets	Amount ₹ Lakhs	As % of Consolidated net assets	Amount ₹ Lakhs
Parent subsidiaries				
Indian				
1) Fullerton India Home Finance Company Limited	0.50%	1051	0.07%	22
2) Fullerton India Social and Economic Development Private Limited (Formerly known as Fullerton India Foundation for Social and Economic Development)	0%	2	0%	-
Total	0.50%	1053	0.07%	22

39. CSR expenses

Financial Year 2016-17

- i) Gross amount required to be spent by the Group during the year ₹ 613 Lakhs
- ii) Amount spent during the year:

(In ₹ Lakhs)

	Amount spent in Cash	Yet to be paid in cash	Total
i) Construction / acquisition of any asset	-	-	-
ii) On purpose other than (i) above	614	-	614

Financial Year 2015-16

- i) Gross amount required to be spent by the Group during the year ₹ 427 Lakhs
 ii) Amount spent during the year:

(In ₹ Lakhs)

	Amount spent in Cash	Yet to be paid in cash	Total
i) Construction / acquisition of any asset	-	-	-
ii) On purpose other than (i) above	518	-	518

Financial Year 2014-15

- i) Gross amount required to be spent by the Group during the year ₹ 260 Lakhs
 ii) Amount spent during the year:

(In ₹ Lakhs)

	Amount spent in Cash	Yet to be paid in cash	Total
i) Construction / acquisition of any asset	-	-	-
ii) On purpose other than (i) above	94	0	94

40. The Group has reclassified/regrouped previous year figures to conform to current year's classification, where applicable.

For **B S R & Co. LLP**
 Chartered Accountants
 ICAI Firm's Registration No: 101248W/W-100022

Sd/-
Milind Ranade
 Partner
 Membership No:100564

Place : Mumbai
 Date: 30 September 2019

For and on behalf of the board of directors of
Fullerton India Credit Company Limited

Sd/-
Rajashree Nambiar
 CEO and Managing Director

Sd/-
Pankaj Malik
 Chief Financial Officer

Place : Mumbai
 Date: 30 September 2019

Annexure-XII

Statement of Dividend Paid

Particulars	2016-17	2015-16	2014-15
Dividend	Nil	Nil	Nil

MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Draft Shelf Prospectus and hereinafter below, there have been no material developments since March 31, 2019 until the date of filing this Draft Shelf Prospectus and there have arisen no circumstances that materially or adversely affects the operations or financial condition or profitability of our Company or the value of our assets or our ability to pay our material liabilities over the next 12 months.

- Our Company allotted 4,98,67,021 shares of ₹10 each at a premium of ₹ 50.16 per share via rights issue to our Promoter, Angelica Investments Pte Ltd on July 12, 2019.
- Our Company has raised ECB of JPY equivalent to USD 100,000,000 vide a loan agreement dated July 26, 2019 from Mizuho Bank Limited and MUFG Bank Ltd., Singapore.
- Our Company has raised ECB of USD 150,000,000 vide a loan agreement dated July 26, 2019 from DBS Bank Limited, Mizuho Bank Limited and MUFG Bank Ltd., Singapore.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
1	Ind AS 1	Presentation of Financial Statements	<p><u>Other Comprehensive Income:</u> There is no concept of ‘Other Comprehensive Income’ under Indian GAAP.</p> <p><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.</p> <p>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.</p> <p><u>Change in Accounting Policies:</u> 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.</p> <p>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.</p>	<p><u>Other Comprehensive Income:</u> Ind AS 1 introduces the concept of Other Comprehensive Income (“OCI”). Other comprehensive income comprises items of income and expenses (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by Ind AS.</p> <p><u>Extraordinary items:</u> Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.</p> <p><u>Change in Accounting Policies:</u> 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.</p> <p>However changes on materiality level, is required to be disclosed appropriately.</p>
2	Ind AS 12	Deferred Taxes	<p>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.</p>	<p>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.</p> <p>Using the balance sheet approach, there could be additional deferred tax charge/income on account of</p>

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
				retrospective application of Ind AS.
3	Ind AS 19	Accounting for Employee benefits	Currently, under Indian GAAP the Company recognizes all short term and long term employee benefits in the profit and loss account as the services are received. For long term employee benefit, the Company uses actuarial valuation to determine the liability.	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 finance cost and income statement and the changes arising out of re-measurements are to be recognized directly in OCI.
4	Ind AS 24	Related parties	Under Indian GAAP, the scope of related parties is limited	Under Ind AS, the scope of related parties is extensive.
5	Ind AS 27	Separate Financial Statements	Accounting for investments in subsidiaries is governed by Accounting Standard 13 depending on the classification of the investment as current or long term	Accounting for investments in subsidiaries is governed by Ind AS 27 which gives an option to account the same at cost or in accordance with Ind AS 109
6	Ind AS 37	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
7	Ind AS 102	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.	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.
8	Ind AS 32/ 107/ 109	Presentation and classification of Financial Instruments and subsequent measurement	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	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, interest free deposits, loans, trade

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
			<p>their transaction values. Disclosures under Indian GAAP are limited. Currently under Indian GAAP, processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss.</p> <p>The de-recognition of financial assets under securitization/assignment transactions are governed by RBI guidelines for NBFCs</p>	<p>receivables etc. Assets classified at amortized cost and FVOCI and the related revenue (including interest subsidy, processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method.</p> <p>Interest subsidy and loan processing fees and/or fees of similar nature would be measured and recognized using the Effective Interest Rate (EIR) method over the period of loan.</p> <p>There are two measurement categories for financial liabilities – FVTPL and amortized cost.</p> <p>Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.</p> <p>Ind AS 109 prescribes transfer of risk and rewards of ownership for de-recognition of financial assets</p>
9	Ind AS 32/ 107/ 109	Financial Instruments Impairment	Under Indian GAAP, the Company provision for doubtful debts at each reporting period, based on company's policy and 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 15 (currently deferred) and certain written loan commitments and financial guarantee contracts.
10.	Ind AS 32/ 107/ 109	Presentation and classification of Financial liabilities	<p>Financial instruments are classified based on legal form-redeemable preference shares will be classified as equity.</p> <p>Preference dividends are always recognised similar to equity dividend and are never treated as interest expense.</p>	<p>Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement, (and not its legal form), and the definition of financial liabilities and equity instruments.</p> <p>Dividends on financial instruments classified as financial liability is recognised as an interest expense in the statement of profit or loss and other comprehensive income. Hence if preference shares meet the definition of financial liability, the preference dividend shall be treated as an interest expense.</p>

FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company as on June 30, 2019 are as follows:

Sr. No.	Nature of Borrowing	Amount (₹ in Lakhs)	%
1.	Secured Borrowings	15,67,517	79.73
2.	Unsecured Borrowings	3,98,510	20.27
Total borrowings		19,66,027	100.00

Set forth below, is a summary of the borrowings by our Company as at June 30, 2019 together with a brief description of certain significant terms of such financing arrangements.

Details of Secured Borrowings:

Our Company's secured borrowings as on June 30, 2019 amount to ₹ 15,67,517 Lakhs. Our Company's secured term loans amount to ₹ 7,17,557 Lakhs. The working capital demand loans amount to ₹ 13,000 Lakhs. The details of the secured borrowings are set out below:

Term Loans from Banks:

(₹ in Lakhs)						
Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Principal Amount outstanding as on June 30, 2019	Maturity date	Repayment schedule and pre-payment penalty, if any
1.	Allahabad Bank**	September 29, 2015	20,000	13,330	September 29, 2020	Yearly
2.	Allahabad Bank	September 19, 2017	20,000	20,000	September 17, 2022	Yearly
3.	Andhra Bank**	December 28, 2017	20,000	20,000	December 28, 2022	Half yearly
4.	Axis Bank Limited	October 30, 2018	10,000	10,000	October 30, 2021	Yearly
5.	Axis Bank Limited	December 31, 2018	27,500	20,000	December 31, 2023	Yearly
6.	Axis Bank Limited	March 27, 2019		7,500	December 31, 2023	Yearly
7.	Bank of Baroda**	September 30, 2015	20,000	10,000	September 30, 2020	Half yearly
8.	Bank of Baroda**	March 22, 2017	45,000	17,500	March 22, 2022	Yearly
9.	Bank of Baroda**	November 28, 2017		7,500	March 22, 2022	Yearly
10.	Bank of Baroda**	March 28, 2018		5,000	September 22, 2022	Yearly
11.	Bank of Baroda**	March 31, 2018		15,000	September 22, 2022	Yearly
12.	Canara Bank	June 30, 2015	15,000	5,000	June 30, 2020	Half yearly
13.	Canara Bank	September 06, 2018	20,000	1,000	September 06, 2021	Half yearly
14.	Canara Bank	September 19, 2018		9,000	September 06, 2021	Half yearly
15.	Canara Bank	September 24, 2018		10,000	September 06, 2021	Half yearly
16.	Citi Bank	September 12, 2017	8,000	3,333	September 12, 2020	Quarterly

Sr. No.	Lender's	Date of	Amount	Principal	Maturity	Repayment
17.	Citi Bank	September 28, 2017		3,333	September 28, 2020	Quarterly
18.	DCB**	September 30, 2015	5,000	1,389	September 30, 2020	Quarterly
19.	Dena bank**	December 22, 2015	15,000	2,500	December 21, 2019	Quarterly
20.	Federal bank**	February 28, 2015	10,000	2,500	February 28, 2020	Half yearly
21.	Federal Bank**	September 23, 2016	10,000	1,250	September 23, 2019	Half yearly
22.	Federal Bank**	October 28, 2016		625	October 28, 2019	Half yearly
23.	Federal Bank**	November 15, 2016		625	November 15, 2019	Half yearly
24.	Federal Bank**	November 30, 2017	4,000	4,000	October 30, 2020	Bullet
25.	Federal Bank**	January 31, 2018	4,000	4,000	December 30, 2020	Bullet
26.	Federal Bank**	February 26, 2018	8,500	8,500	January 25, 2021	Bullet
27.	Federal Bank**	May 30, 2019	5,000	5,000	May 30, 2023	Quarterly
28.	HDFC Bank**	March 04, 2015	20,000	3,750	March 04, 2020	Half yearly
29.	HDFC Bank**	September 29, 2015	20,000	7,500	September 29, 2020	Half yearly
30.	HDFC Bank**	March 28, 2016	15,000	7,500	March 26, 2021	Half yearly
31.	HDFC Bank**	September 20, 2017	12,500	10,938	September 20, 2022	Half yearly
32.	HDFC Bank**	January 30, 2018	10,000	4,444	January 30, 2023	Half yearly
33.	HDFC Bank**	February 02, 2018		5,000	February 02, 2023	Half yearly
34.	HDFC Bank**	March 30, 2019	25,000	10,000	March 30, 2023	Half yearly
35.	HDFC Bank**	April 30, 2019		10,000	April 30, 2023	Half yearly
36.	HDFC Bank**	May 13, 2019		5,000	May 13, 2023	Half yearly
37.	HSBC	October 28, 2016	20,000	5,000	September 28, 2019	Bullet
38.	HSBC	November 15, 2016		10,000	November 15, 2019	Bullet
39.	HSBC	September 21, 2017		2,500	September 21, 2020	Bullet
40.	HSBC	December 11, 2017		2,500	December 11, 2020	Bullet
41.	HSBC	December 21, 2017	10,000	5,000	December 21, 2021	Bullet
42.	HSBC	January 29, 2018		5,000	January 29, 2021	Bullet
43.	HSBC	June 02, 2018	25,000	15,000	June 21, 2021	Bullet
44.	HSBC	July 31, 2018		10,000	July 31, 2021	Bullet
45.	HSBC	May 28, 2019	25,000	10,000	May 28, 2022	Bullet

Sr. No.	Lender's	Date of	Amount	Principal	Maturity	Repayment
46.	HSBC	June 26, 2019		15,000	June 26, 2022	Bullet
47.	ICICI Bank	September 30, 2015	25,000	10,417	September 30, 2020	Quarterly
48.	ICICI Bank	September 27, 2016	15,000	1,042	September 25, 2020	Quarterly
49.	ICICI Bank	November 16, 2016		1,250	November 16, 2020	Quarterly
50.	ICICI Bank	November 24, 2016		2,500	November 24, 2020	Quarterly
51.	ICICI Bank	August 21, 2017		3,750	August 21, 2021	Quarterly
52.	ICICI Bank	September 27, 2018	50,000	50,000	September 27, 2022	Quarterly
53.	J& K Bank**	December 22, 2015	10,000	3,750	December 22, 2020	Quarterly
54.	JP Morgan Chase Bank	September 28, 2018	45,000	15,000	September 22, 2022	Bullet
55.	JP Morgan Chase Bank	October 17, 2018		30,000	October 17, 2022	Bullet
56.	OBC**	March 31, 2015	10,000	1,875	March 31, 2020	Quarterly
57.	OBC**	March 16, 2016	10,000	4,375	March 31, 2021	Quarterly
58.	Punjab National Bank**	January 27, 2015	20,000	5,000	March 30, 2020	Quarterly
59.	South Indian Bank**	December 31, 2018	10,000	10,000	December 31, 2022	Half yearly
60.	State Bank of India**	June 24, 2016	40,000	19,980	June 23, 2021	Quarterly
61.	State Bank of India**	March 27, 2019	50,000	35,000	March 25, 2024	Quarterly
62.	Syndicate Bank**	September 30, 2014	10,000	2,500	August 31, 2019	Yearly
63.	Syndicate Bank**	September 21, 2017	10,000	10,000	September 21, 2022	Half yearly
64.	Union Bank of India	January 31, 2018	50,000	10,000	January 30, 2023	Half yearly
65.	Union Bank of India	March 13, 2018		2,500	January 30, 2023	Half yearly
66.	Union Bank of India	April 27, 2018		7,500	January 30, 2023	Half yearly
67.	Union Bank of India	May 23, 2018		15,000	January 30, 2023	Half yearly
68.	Union Bank of India	May 28, 2018		15,000	January 30, 2023	Half yearly
69.	United Bank of India**	March 26, 2015	10,000	3,333	March 26, 2020	Half yearly
70.	United Bank of India**	March 22, 2016	10,000	6,667	March 22, 2021	Half yearly
	Total		8,14,500	618,457		

****Security:** A first charge by way of hypothecation of the Borrower's receivables present and future of such form satisfactory to the Bank and shall have first charge on receivables by way of hypothecation of present and future receivables i.e. receivables covered under loan agreements with a minimum assets cover of 1.10 times of the outstanding term loan amount and ranking pari passu with the other lenders of the Borrower.

Security
Axis Bank First pari passu charge by way of hypothecation of Standard assets of receivables
Canara Bank A first pari-passu charge by way of hypothecation of the Borrower's receivables present and future of such form satisfactory to the Bank and shall have first pari passu charge on receivables by way of hypothecation of present and future receivables i.e. receivables covered under loan agreements with a minimum asset margin of 10% on Receivables (Asset cover of 111%) of the outstanding term loan amount, and ranking pari passu with the other lenders of the Borrower.
Citi Bank A first charge by way of a hypothecation over the Borrower's all receivables both present and future, to be created in favour Vistra ITCL Trusteeship Company Ltd (Security Trustee"), being the security trustee for and on behalf of the Bank (together with other secured lenders of the Borrower), ranking pari passu with the charges created in favour of other secured lenders of the Borrower.
HSBC First Pari passu charge on receivables of the borrower with asset cover of 110%.
ICICI Bank First pari passu charge over the Receivables in favor of the Security Trustee acting on behalf and for the benefit of the Lenders.
JP Morgan & Chase First ranking pari passu charge by way of hypothecation on the receivables, created in favour of the Security Trustee for the benefit of all lenders.
SIDBI First pari passu charge over the Receivables in favor of the Security Trustee acting on behalf of the Lenders.
Union Bank A first pari passu charge by way of hypothecation of the Borrower's receivables present and future of such form satisfactory to the Bank and shall have first pari passu charge on receivables by way of hypothecation of present and future receivables i.e. receivables covered under loan agreements with a minimum assets cover of 1.05 times of the outstanding term loan amount and ranking pari passu with the other lenders of the Borrower.

The total outstanding of term loan facilities from banks including interest accrued and effective interest rate amortisation is ₹ 618,457 Lakhs.

Term Loans from financial institutions:**

(₹ in Lakhs)

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Principal Amount outstanding as on June 30, 2019	Maturity date	Repayment and pre-payment penalty, if any
1.	SIDBI	March 31, 2016	20,000	9,000	July 10, 2021	Quarterly
2.	SIDBI	December 21, 2017	60,000	29,225	March 10, 2023	Quarterly
3.	SIDBI	February 20, 2018		20,875	March 10, 2023	Quarterly
4.	SIDBI	March 20, 2019	40,000	20,000	June 10, 2024	Quarterly
5.	SIDBI	March 27, 2019		20,000	June 10, 2024	Quarterly
	Total		120,000	99,100		

**Secured by First pari passu charge over the Receivables in favor of the Security Trustee acting on behalf of the Lenders.

No penalty was imposed in above mentioned borrowings.

The total outstanding of term loan facilities from financial institutions including interest accrued and effective interest rate amortisation is ₹ 99,619 Lakhs.

Working Capital Demand Loans from Banks:*(₹ in Lakhs)*

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Principal Amount outstanding as on June 30, 2019	Maturity date	Repayment
1.	Sumitomo Mitsui Banking Corporation*	June 28, 2019	10,000	10,000	September 26, 2019	At Maturity
2.	HDFC Bank**	June 29, 2019	3,000	3,000	July 6, 2019	At Maturity
	Total		13,000	13,000		

*Secured by first *Pari passu* charge to and in favour of the Lender under the Security trustee arrangement for the benefit of the Lender towards the Credit Facilities mentioned hereinabove the whole of the Borrower's present and future receivables that may hereafter from time to time during the continuance of this security belong to the Borrower and all of which hereinafter for sake of brevity are referred to as the said "Receivables" and all of the Borrower's present and future book debts, outstanding monies, receivables, claims, bills, rights to or on moveable properties and moveable assets forming part of current assets which are now due owing or payable or belonging to the Borrower or which may at any time hereafter during the continuance of this security become due, owing payable or belonging to the Borrower in the course of its business and all of which hereinafter for sake of brevity are referred to as the said "**Book Debts**" and together with all benefits, advantages and legal incidence thereof.

**Secured by a first *pari passu* charge by way of hypothecation of the Borrower's receivables present and future of such form satisfactory to the Bank and shall have first *pari passu* charge on receivables by way of hypothecation of present and future receivables i.e. receivables covered under loan agreements with a assets cover of 1.10 times of the outstanding term loan amount and ranking *pari passu* with the other lenders of the Borrower.

The total outstanding, of working capital demand loans including interest accrued and effective interest rate amortisation is ₹13,000 Lakhs.

Cash Credit from Banks (Utilised):***(₹ in Lakhs)*

Sr. No.	Particulars	Date of Disbursement	Amount Sanctioned	Amount outstanding as on June 30, 2019	Repayment
1.	State Bank of India	March 31, 2019	10,000	60	On demand
	Total		10,000	60	

**Security: Secured by First *pari passu* charge over the Receivables in favor of the Security Trustee acting on behalf of the Lenders

The total outstanding of utilised cash credit including interest accrued and effective interest rate amortisation is ₹ 60 Lakhs.

Cash Credit from Banks (Unutilised):***(₹ in Lakhs)*

Sr. No.	Particulars	Date of Sanction	Amount Sanctioned
1.	Standard Chartered Bank	February 11, 2019	5,000
2.	ICICI Bank Ltd	December 24, 2018	3,500
3.	The Hongkong and Shanghai Banking Corporation Limited	December 26, 2018	10,000
4.	Axis Bank	July 21, 2014	2,500
5.	BNP	November 7, 2013	10,000
6.	HDFC Bank	March 11, 2019	2,000

(₹ in Lakhs)

Sr. No.	Particulars	Date of Sanction	Amount Sanctioned
	Total		33,000

**Security: Secured by First pari passu charge over the Receivables in favor of the Security Trustee acting on behalf of the Lenders

The total unutilised cash credit including interest accrued and effective interest rate amortisation is NIL.

Secured Non-Convertible Debentures as on June 30, 2019

Our Company has issued secured redeemable non-convertible debenture of face value of ₹10,00,000/500,000 each on a private placement basis of which ₹ 8,36,960 lakh is outstanding as on June 30, 2019, the details of which are set forth below. Redemption date represents actual maturity date and does not consider call/put option**

(₹ in Lakhs)

Sr. No.	Description	Tenor/ Period of Maturity (Days)	Credit Rating	Coupon %	Date of Allotment	Face Value	Issue Amount	Amount outstanding as on June 30, 2019	Redemption/ Maturity Date
1.	INE535H07993	1064	CARE AAA; Stable CARE by	7.65	November 07, 2017	1000000	13,500	13,500	October 06, 2020
2.	INE535H07AA9	767	[ICRA] AAA (stable) by ICRA	7.65	November 13, 2017	1000000	2,500	2,500	December 20, 2019
3.	INE535H07AB7	1096	CARE AAA; Stable CARE by	7.65	December 15, 2017	1000000	10,000	10,000	December 15, 2020
4.	INE535H07951	1127	[ICRA] AAA (stable) by ICRA	8.00	March 30, 2017	1000000	12,500	12,500	April 30, 2020
5.	INE535H07985	1278	CARE AAA; Stable CARE by	8.00	October 13, 2017	1000000	8,000	8,000	April 13, 2021
6.	INE535H07AC5	1461	CARE AAA; Stable CARE by	8.00	December 28, 2017	1000000	20,000	20,000	December 28, 2022
7.	INE535H07AD3	1123	CARE AAA; Stable CARE by	0	January 30, 2018	1000000	7,500	7,500	February 26, 2021
8.	INE535H07936	1826	CARE AAA; Stable CARE by	8.25	November 22, 2016	1000000	7,130	7,130	November 22, 2021
9.	INE535H07AP7	731	CRISIL AAA (stable) by and CRISIL CARE AAA; Stable CARE by	8.85	August 31, 2018	1000000	5,000	5,000	August 31, 2020
10.	INE535H07811	1826	CARE AAA; Stable CARE, CRISIL AAA (stable) by	8.95	April 29, 2016	1000000	1,800	1,800	April 29, 2021

Sr. No.	Description	Tenor/ Period of Maturity (Days)	Credit Rating	Coupon %	Date of Allotment	Face Value	Issue Amount	Amount outstanding as on June 30, 2019	Redemption/ Maturity Date
			CRISIL and IND AA+/ Stable by India Rating						
11.	INE535H07829	1826	CARE AAA; Stable by CARE, CRISIL AAA (stable) by CRISIL and IND AA+/ Stable by India Rating	8.95	May 10, 2016	1000000	1,000	1,000	May 10, 2021
12.	INE535H07522	1826	CARE AAA; Stable by CARE	9.30	January 29, 2015	1000000	2,500	2,500	January 29, 2020
13.	INE535H07738	1461	[ICRA] AAA (stable) by ICRA	IDFC 1YR MCLR	December 15, 2015	1000000	40,000	10,000	December 15, 2019
14.	INE535H07738	1827	[ICRA] AAA (stable) by ICRA	IDFC 1YR MCLR	December 15, 2015	1000000	40,000	20,000	December 15, 2020
15.	INE535H07AU7	812	CRISIL AAA (stable) by CRISIL	9.30	December 24, 2018	1000000	50,000	50,000	March 15, 2021
16.	INE535H07AW3	1096	[ICRA] AAA (stable) by ICRA	9.30	January 31, 2019	1000000	75,000	75,000	January 31, 2022
17.	INE535H07282	3651	[ICRA] AAA (stable) by ICRA	10.60	April 29, 2013	1000000	7,500	7,500	April 28, 2023
18.	INE535H07308	3652	[ICRA] AAA (stable) by ICRA, CRISIL AAA (stable) by CRISIL and IND AA+/ Stable by India Rating	9.85	May 22, 2013	1000000	4,000	4,000	May 22, 2023
19.	INE535H07449	2009	[ICRA] AAA (stable) by ICRA	9.85	October 14, 2014	500000	6,000	6,000	April 14, 2020
20.	INE535H07357	3670	[ICRA] AAA (stable) by ICRA, CRISIL AAA (stable) by CRISIL and IND AA+/	10.45	November 05, 2013	500000	2,500	2,500	November 03, 2023

Sr. No.	Description	Tenor/ Period of Maturity (Days)	Credit Rating	Coupon %	Date of Allotment	Face Value	Issue Amount	Amount outstanding as on June 30, 2019	Redemption/ Maturity Date
			Stable by India Rating						
21.	INE535H07456	2634	[ICRA] AAA (stable) by ICRA	10.00	October 14, 2014	500000	9,000	9,000	December 30, 2021
22.	INE535H07498	1826	CARE AAA; Stable by CARE	9.42	December 09, 2014	1000000	5,000	5,000	December 09, 2019
23.	INE535H07712	1460	CARE AAA; Stable by CARE, CRISIL AAA (stable) by CRISIL and IND AA+/ Stable by India Rating	9.10	November 30, 2015	1000000	4,000	4,000	November 29, 2019
24.	INE535H07720	1827	CARE AAA; Stable by CARE, CRISIL AAA (stable) by CRISIL and IND AA+/ Stable by India Rating	9.10	November 30, 2015	1000000	2,500	2,500	November 30, 2020
25.	INE535H07AI2	1273	CRISIL AAA (stable) by CRISIL	9.10	June 07, 2018	1000000	25,500	25,500	December 01, 2021
26.	INE535H07AJ0	1287	CRISIL AAA (stable) by CRISIL	9.10	June 07, 2018	1000000	15,500	15,500	December 15, 2021
27.	INE535H07597	2199	[ICRA] AAA (stable) by ICRA	9.20	May 21, 2015	1000000	15,000	15,000	May 28, 2021
28.	INE535H07AO0	2555	CRISIL AAA (stable) by CRISIL and CARE AAA; Stable by CARE	9.20	August 10, 2018	1000000	5,000	5,000	August 08, 2025
29.	INE535H07AV5	910	CRISIL AAA (stable) by and CRISIL [ICRA] AAA (stable) by ICRA	9.20	January 11, 2019	1000000	50,000	50,000	July 09, 2021
30.	INE535H07605	2555	CARE AAA; Stable by CARE	9.16	May 22, 2015	1000000	2,300	2,300	May 20, 2022
31.	INE535H07639	2042	CARE AAA;	9.25	May 29, 2015	1000000	10,000	10,000	December 30, 2020

Sr. No.	Description	Tenor/ Period of Maturity (Days)	Credit Rating	Coupon %	Date of Allotment	Face Value	Issue Amount	Amount outstanding as on June 30, 2019	Redemption/ Maturity Date
			Stable CARE by						
32.	INE535H07688	2009	CARE AAA; Stable CARE by	9.22	September 07, 2015	1000000	7,000	7,000	March 08, 2021
33.	INE535H07878	1187	CARE AAA; Stable CARE by	8.90	June 16, 2016	1000000	5,000	5,000	September 16, 2019
34.	INE535H07761	1827	CARE AAA; Stable CARE by	9.05	January 18, 2016	1000000	1,000	1,000	January 18, 2021
35.	INE535H07704	1836	[ICRA] AAA (stable) by ICRA	9.05	November 19, 2015	1000000	15,000	15,000	November 28, 2020
36.	INE535H07753	1827	CARE AAA; Stable by CARE and [ICRA] AAA (stable) by ICRA	9.05	December 30, 2015	1000000	15,000	15,000	December 30, 2020
37.	INE535H07AN 2	549	CRISIL AAA (stable) by CRISIL and CARE AAA; Stable by CARE	8.80	July 30, 2018	1000000	12,500	12,500	January 30, 2020
38.	INE535H07894	2191	CARE AAA; Stable by CARE and [ICRA] AAA (stable) by ICRA	8.99	July 15, 2016	1000000	5,000	5,000	July 15, 2022
39.	INE535H07910	1083	CARE AAA; Stable CARE by	8.80	August 04, 2016	1000000	2,500	2,500	July 23, 2019
40.	INE535H07969	1096	CARE AAA; Stable CARE by	7.68	August 14, 2017	1000000	16,000	16,000	August 14, 2020
41.	INE535H07977	1091	CARE AAA; Stable CARE by	8.01	October 11, 2017	1000000	25,000	25,000	October 06, 2020
42.	INE535H07AE 1	1153	CARE AAA; Stable CARE by	0	February 22, 2018	1000000	18,500	18,500	April 20, 2021
43.	INE535H07AF 8	1201	CARE AAA; Stable CARE by	8.52	February 23, 2018	1000000	20,500	20,500	June 08, 2021
44.	INE535H07AG 6	1114	CARE AAA; Stable CARE by	0	March 21, 2018	1000000	19,630	19,630	April 08, 2021

Sr. No.	Description	Tenor/ Period of Maturity (Days)	Credit Rating	Coupon %	Date of Allotment	Face Value	Issue Amount	Amount outstanding as on June 30, 2019	Redemption/ Maturity Date
45.	INE535H07AH 4	2191	CARE AAA; Stable by CARE	8.35	April 18, 2018	1000000	7,000	7,000	April 17, 2024
46.	INE535H07AK 8	1126	CRISIL AAA (stable) by CRISIL	0	June 15, 2018	1000000	23,730	23,730	July 15, 2021
47.	INE535H07AT 9	1211	CRISIL AAA (stable) by CRISIL	9.40	December 19, 2018	1000000	10,330	10,330	April 13, 2022
48.	INE535H07928	1095	CARE AAA; Stable by CARE	8.75	August 12, 2016	1000000	10,000	10,000	August 12, 2019
49.	INE535H07AM 4	545	CRISIL AAA (stable) by CRISIL	0	July 03, 2018	1000000	2,800	2,800	December 30, 2019
50.	INE535H07AL 6	1126	[ICRA] AAA (stable) by ICRA	0	June 22, 2018	1000000	50,000	50,000	July 22, 2021
51.	INE535H07AR 3	1247	CRISIL AAA (stable) by CRISIL	9.70	November 19, 2018	1000000	13,000	13,000	April 19, 2022
52.	INE535H07AS 1	821	CRISIL AAA (stable) by CRISIL	9.33	December 19, 2018	1000000	10,000	10,000	March 19, 2021
53.	INE535H07902	1095	[ICRA] AAA (stable) by ICRA	8.65	August 02, 2016	1000000	15,000	15,000	August 02, 2019
54.	INE535H07AQ 5	1253	CRISIL AAA (stable) by CRISIL	9.51	November 13, 2018	1000000	13,940	13,940	April 19, 2022
55.	INE535H07AX 1	1139	CRISIL AAA (stable) by CRISIL	8.89	March 28, 2019	1000000	5,800	5,800	May 10, 2022
56.	INE535H07AY 9	1050	CRISIL AAA (stable) by CRISIL	8.85	May 27, 2019	1000000	2,500	2,500	May 31, 2022
57.	XS1507863550	1127	Unrated	8.59	October 24, 2016	10000000	50,000	50,000	November 25, 2019
58.	XS1692863530	1883	Unrated	7.35	September 29, 2017	10000000	50,000	50,000	November 25, 2022
	Total							8,36,960	

****Security:**

- (a) *Pari-passu first charge on Movable Property (as defined below) i.e. all receivables arising out of loan, lease and hire purchase transactions, all other book debts, as more particularly described in Schedule II which shall be shared on a pari-passu basis with the other lenders / holders of debentures of the Company. The Company shall submit to the Debenture Trustee the details of loan receivables over which a first pari-passu charge has been created in favour of the Debenture Trustee (for the benefit of the Debenture Holders) as on the last day of each calendar quarter; and*

- (b) *First pari-passu mortgage over the Company's Immovable Property situated at Plot No.248 in Lakshmi Nagar, Sriperumbudur, Kancheepuram, Chennai, as more particularly described under Schedule I which shall be shared on a pari-passu basis with other secured lenders / holders of debentures of the Company.*

The total outstanding of secured non-convertible debentures including interest accrued and effective interest rate amortisation is ₹8,76,854 Lakhs.

Please refer below to the details of the corresponding Debenture Trust Deeds with respect to the secured NCDs of our Company:

(in ₹ Lakhs)

ISIN	DTD date	Principal Amount Outstanding as on June 30, 2019	Security	
INE535H07282	July 19, 2013	7,500	<i>Pari-passu first charge on Movable Property (as defined below) i.e. all receivables arising out of loan, lease and hire purchase transactions, all other book debts, as more particularly described in Schedule II which shall be shared on a pari-passu basis with the other lenders / holders of debentures of the Company. The Company shall submit to the Debenture Trustee the details of loan receivables over which a first pari-passu charge has been created in favour of the Debenture Trustee (for the benefit of the Debenture Holders) as on the last day of each calendar quarter; and</i>	
INE535H07308	August 19, 2013	4,000		
INE535H07357	October 15, 2013	2,500		
INE535H07449	September 26, 2014	6,000		
INE535H07456	September 26, 2014	9,000		
INE535H07498	November 24, 2014	5,000		
INE535H07522	November 24, 2014	2,500		
INE535H07597	April 17, 2015	15,000		
INE535H07605	May 12, 2015	2,300		
INE535H07639	May 12, 2015	10,000		
INE535H07688	September 18, 2015	7,000		
INE535H07712	September 18, 2015	4,000		
INE535H07720	September 18, 2015	2,500		
INE535H07761	September 18, 2015	1,000		
INE535H07704	October 27, 2015	15,000		
INE535H07738	January 29, 2016	10,000		
INE535H07738	January 29, 2016	20,000		
INE535H07753	January 29, 2016	15,000		
INE535H07811	May 27, 2016	1,800		
INE535H07829	May 27, 2016	1,000		
INE535H07878	August 08, 2016	5,000		<i>First pari-passu mortgage over the Company's Immovable Property situated at Plot No.248 in Lakshmi Nagar, Sriperumbudur, Kancheepuram, Chennai, as more particularly described under Schedule I which shall be shared on a pari-passu basis with other secured lenders / holders of debentures of the Company.</i>
INE535H07894	September 26, 2016	5,000		
INE535H07902	September 26, 2016	15,000		
INE535H07910	September 26, 2016	2,500		
INE535H07928	September 26, 2016	10,000		
INE535H07936	January 06, 2017	7,130		
INE535H07951	April 18, 2017	12,500		
INE535H07969	October 30, 2017	16,000		
INE535H07977	December 12, 2017	25,000		
INE535H07985	December 12, 2017	8,000		
INE535H07993	December 12, 2017	13,500		
INE535H07AA9	January 11, 2018	2,500		
INE535H07AB7	January 11, 2018	10,000		
INE535H07AC5	January 11, 2018	20,000		
INE535H07AD3	March 28, 2018	7,500		
INE535H07AE1	March 28, 2018	13,500		
INE535H07AF8	March 28, 2018	15,500		
INE535H07AG6	May 24, 2018	14,900		
INE535H07AE1	May 24, 2018	5,000		
INE535H07AG6	May 24, 2018	4,730		
INE535H07AH4	May 24, 2018	7,000		
INE535H07AI2	August 09, 2018	10,000		
INE535H07AJ0	August 09, 2018	10,000		
INE535H07AK8	August 09, 2018	3,600		

ISIN	DTD date	Principal Amount Outstanding as on June 30, 2019	Security
INE535H07AL6	June 19, 2018	50,000	
INE535H07AM4	August 09, 2018	2,800	
INE535H07AK8	August 09, 2018	2,070	
INE535H07AJ0	September 27, 2018	5,500	
INE535H07AN2	September 27, 2018	10,000	
INE535H07AN2	October 24, 2018	2,500	
INE535H07AK8	September 27, 2018	18,060	
INE535H07AO0	September 27, 2018	5,000	
INE535H07AF8	October 24, 2018	5,000	
INE535H07AP7	October 24, 2018	5,000	
INE535H07AQ5	December 28, 2018	740	
INE535H07AR3	December 28, 2018	13,000	
INE535H07AI2	February 26, 2019	15,500	
INE535H07AQ5	February 26, 2019	5,000	
INE535H07AS1	February 26, 2019	10,000	
INE535H07AT9	February 26, 2019	7,300	
INE535H07AU7	March 14, 2019	50,000	
INE535H07AQ5	February 26, 2019	8,200	
INE535H07AV5	December 28, 2018	50,000	
INE535H07AT9	March 14, 2019	3,030	
INE535H07AW3	February 26, 2019	75,000	
INE535H07AX1	June 21, 2019	5,800	
XS1507863550	November 10, 2016	50,000	
XS1692863530	October 25, 2017	50,000	
INE535H07AY9	July 10, 2019	2,500	
Total		8,36,960	

Our Company has not previously issued any secured and/or unsecured redeemable non-convertible debenture on a public issue basis as on the date of this Draft Shelf Prospectus.

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 declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;
2. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;
3. to create or permit any charges or lien on any properties forming the security;
4. to amend its MOA and AOA or alter its capital structure.

Details of unsecured borrowings:

Our Company's unsecured borrowings as on June 30, 2019 amount to ₹ 3,98,510 Lakhs.

The details of the individual borrowings are set out below:

Details of Unsecured Non-Convertible Debentures as on June 30, 2019

NIL

Details of Unsecured Subordinated Non-Convertible Debentures as on June 30, 2019

Our Company has issued unsecured redeemable subordinated non-convertible debenture of face value of ₹ 10,00,000 each on a private placement basis of which ₹ 1,04,910 lakh is outstanding as on June 30, 2019 the details of which are set forth below. Redemption date represents actual maturity date:

(₹ in Lakhs)

Sr. No.	Description (Debenture Series)	Tenor/ Period of Maturity (Years)	Coupon %	Issuance amount	Outstanding Amount	Date of Allotment	Final Redemption Date	Credit Rating (at the time of issuance)
1	INE535H08694	3649	9.30	2,100	2,100	May 03, 2016	April 30, 2026	AAA by CARE and AA+ by India Ratings
2	INE535H08728	3649	9.30	22,500	22,500	June 12, 2018	June 08, 2028	AAA by CRISIL and CARE
3	INE535H08660	2616	9.30	2,500	2,500	February 25, 2016	April 25, 2023	AAA by CARE and AA+ by India Ratings
4	INE535H08678	3653	9.30	2,500	2,500	February 25, 2016	February 25, 2026	AAA by CARE and AA+ by India Ratings
5	INE535H08686	3652	9.25	2,500	2,500	March 23, 2016	March 23, 2026	AAA by CARE and AA+ by India Ratings
6	INE535H08744	3906	9.25	15,000	15,000	August 16, 2018	April 26, 2029	AAA by CRISIL and CARE
7	INE535H08520	3652	11.40	4,810	4,810	September 14, 2012	September 14, 2022	AA+ by ICRA and AA+ by India Ratings
8	INE535H08546	3652	11.40	4,000	4,000	September 28, 2012	September 28, 2022	AA+ by ICRA and AA+ by India Ratings
9	INE535H08553	3649	11.40	5,000	5,000	October 30, 2012	October 28, 2022	AA+ by ICRA and AA+ by India Ratings
10	INE535H08579	3652	10.50	5,000	5,000	October 28, 2013	October 28, 2023	AA+ by ICRA and AA+ by India Ratings
11	INE535H08587	3653	9.60	5,000	5,000	December 26, 2014	December 26, 2024	AAA by CARE and AA+ by ICRA
12	INE535H08595	3653	9.50	2,500	2,500	June 10, 2015	June 10, 2025	AAA by CARE and AA+ by India Ratings
13	INE535H08637	3653	9.50	10,000	10,000	October 13, 2015	October 13, 2025	AAA by CARE and AA+ by ICRA
14	INE535H08652	1969	9.50	2,500	2,500	February 03, 2016	June 25, 2021	AAA by CARE
15	INE535H08603	2557	9.40	2,000	2,000	June 10, 2015	June 10, 2022	AAA by CARE and AA+ by India Ratings
16	INE535H08629	2557	9.40	2,500	2,500	August 03, 2015	August 03, 2022	AAA by CARE and AA+ by India Ratings
17	INE535H08645	2557	9.40	5,000	5,000	October 13, 2015	October 13, 2022	AAA by CARE and AA+ by ICRA
18	INE535H08702	2738	8.75	2,500	2,500	October 27, 2016	April 26, 2024	AAA by CARE
19	INE535H08710	3102	8.75	2,500	2,500	October 27, 2016	April 25, 2025	AAA by CARE
20	INE535H08736	3653	9.45	4,500	4,500	July 20, 2018	July 20, 2028	AAA by CRISIL and CARE
	Total			1,04,910	1,04,910			

The total outstanding of unsecured redeemable subordinated non-convertible debenture including interest accrued and effective interest rate amortisation is ₹ 1,08,033 Lakhs.

List of Top 10 Debenture Holders (secured and unsecured) as on June 30, 2019:

(₹ in Lakhs)

Sr. No.	Name of Debenture Holders	Amount
1.	State Bank of India	75,000
2.	State Bank of India Mutual Fund	62,060
3.	Deutsche Bank AG	52,500
4.	Postal Life Insurance Fund A/C UTI AMC	49,500
5.	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Corporate Bond Fund	49,000
6.	NPS Trust- A/C LIC Pension Fund Scheme - State Govt	32,590
7.	Kotak Mahindra Trustee Company Ltd. A/C. Kotak Mahindra Bond Short Term Plan	32,500
8.	IDFC Bank Limited	30,000
9.	International Finance Corporation	30,000
10.	DBS Bank Limited	25,000
	DB International (Asia) Ltd	25,000
	Total	4,63,150

Unsecured Term Loans:

NIL

Unsecured Working Capital Demand Loans:

(₹ in Lakhs)

Sr. No.	Lender's Name	Date of disbursement	Amount Sanctioned	Amount outstanding as on June 30, 2019	Maturity date	Repayment
1-	Bank of America	June 27, 2019	11,000	6,600	June 25, 2020	At Maturity
	Total		11,000	6,600		

The total outstanding of unsecured working capital demand loans including interest accrued and effective interest rate amortisation is ₹ 6,600 Lakhs.

Fixed Deposits:

NIL

Corporate Guarantee

Our Company has not issued any corporate guarantee in favour of its Subsidiaries, group company as on June 30, 2019.

Commercial Paper:

Our Company has issued unsecured Commercial Paper of face value of ₹ 5,00,000 each on a private placement basis of which ₹ 2,79,485 Lakhs is outstanding as on June 30, 2019 the details of which are set forth below:

(₹ in Lakhs)

Sr.No.	ISIN	Amount Sanctioned (Maturity Value)	Amount Outstanding as on June 30, 2019 (Net of Unamortised Discount)	Maturity Date	Repayment Terms
1	INE535H14GY2	10500	10,495	July 03, 2019	At Maturity

2	INE535H14GZ9	2500	2,498	July 05, 2019	At Maturity
3	INE535H14HC6	5000	4,973	July 26, 2019	At Maturity
4	INE535H14HE2	30000	29,480	September 17, 2019	At Maturity
5	INE535H14HH5	10000	9,717	October 29, 2019	At Maturity
6	INE535H14HI3	8500	8,235	November 06, 2019	At Maturity
7	INE535H14HK9	15000	14,785	August 28, 2019	At Maturity
8	INE535H14HL7	4500	4,347	November 20, 2019	At Maturity
9	INE535H14HM5	15000	14,469	November 27, 2019	At Maturity
10	INE535H14HN3	20000	19,274	December 03, 2019	At Maturity
11	INE535H14HO1	10000	9,620	December 10, 2019	At Maturity
12	INE535H14HP8	10000	9,686	November 15, 2019	At Maturity
13	INE535H14HQ6	10000	9,584	December 31, 2019	At Maturity
14	INE535H14HS2	30000	28,235	March 13, 2020	At Maturity
15	INE535H14HT0	12500	11,788	March 23, 2020	At Maturity
16	INE535H14HU8	48500	47,814	September 11, 2019	At Maturity
17	INE535H14HV6	45000	44,486	August 27, 2019	At Maturity
	Total	287,000	279,485		

The total outstanding of commercial papers including interest accrued and effective interest rate amortisation is ₹ 279,401 Lakhs.

Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on June 30, 2019

NIL

The total amount of loans and advances from Inter Corporate Deposits outstanding as of June 30, 2019 is NIL.

Restrictive Covenants under our unsecured financing Arrangements:

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to declare and/ or pay dividend to any of its shareholders whether equity or preference, during any financial year unless our Company has paid to the lender the dues payable by our Company in that year;
2. to undertake or permit any merger, amalgamation or compromise with its shareholders, creditors or effect any scheme of amalgamation or reconstruction;
3. to amend its MOA and AOA or alter its capital structure.

Other confirmations

As on the date of this Draft Shelf Prospectus, there has been no rescheduling, default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by our Company, in the past 5 years.

There are no outstanding borrowings taken/ debt securities issued where taken/ issued (i) for consideration other than cash, whether in whole or in part, or (ii) in pursuance of an option as on June 30, 2019.

No outstanding borrowings taken/ debt securities issued where taken/ issued at a premium or discount, other than as disclosed below, as on June 30, 2019:

The below debentures have a face value of ₹ 10,00,000.

(₹ in Lakhs)

Sr. No.	Description (Debenture Series)	Issue Amount	Secured/Unsecured	Premium/Discount issued at	Coupon	Face Value (Amount Outstanding, if different than Face Value)	Date of Allotment	Final Redemption Date	Latest Credit Rating
1.	Series 64-Re-issuance I	5,000	Secured	Premium	0%	5,000	March 28, 2018	April 20, 2021	CARE AAA; Stable by CARE
2.	Series 66-Re-issuance I	4,730	Secured	Premium	0%	4,730	April 09, 2018	April 08, 2021	CARE AAA; Stable by CARE
3.	Series 69-Reissuance I	2,070	Secured	Premium	0%	2,070	July 10, 2018	July 15, 2021	CRISIL AAA (stable) by CRISIL
4.	Series 68-Reissuance I-Option II	5,500	Secured	Premium	9.10%	5,500	July 25, 2018	December 15, 2021	CRISIL AAA (stable) by CRISIL
5.	Series 69-Reissuance II	18,060	Secured	Premium	0%	18,060	August 07, 2018	July 15, 2021	CRISIL AAA (stable) by CRISIL
6.	Series 65-Reissuance I	5,000	Secured	Discount	8.52%	5,000	August 24, 2018	June 08, 2021	CARE AAA; Stable by CARE
7.	Series 68-Reissuance I-Option I	15,500	Secured	Discount	9.10%	15,500	December 03, 2018	December 01, 2021	CRISIL AAA (stable) by CRISIL
8.	Series 75-Reissuance I	5,000	Secured	Premium	0%	5,000	December 07, 2018	April 19, 2022	CRISIL AAA (stable) by CRISIL
9.	Series 75-Reissuance II	8,200	Secured	Premium	0%	8,200	January 07, 2019	April 19, 2022	CRISIL AAA (stable) by CRISIL
10.	Series 78 Option II Reissuance I	3,030	Secured	Premium	0%	3,030	January 28, 2019	April 13, 2022	CRISIL AAA (stable) by CRISIL
11.	Series 13-Reissuance I	6,500	Unsecured	Discount	9.30%	6,500	June 27, 2018	June 08, 2028	CRISIL AAA (stable) by CRISIL and CARE AAA; Stable by CARE
12.	Series 13-Reissuance II	6,000	Unsecured	Discount	9.30%	6,000	July 13, 2018	June 08, 2028	CRISIL AAA (stable) by CRISIL and CARE AAA; Stable by

Sr. No.	Description (Debenture Series)	Issue Amount	Secured/ Unsecured	Premium/ Discount issued at	Coupon	Face Value (Amount Outstanding, if different than Face Value)	Date of Allotment	Final Redemption Date	Latest Credit Rating
									CARE
13.	Series 14- Reissuance I	2,000	Unsecured	Discount	9.45%	2,000	September 28, 2018	July 20, 2028	CRISIL AAA (stable) by CRISIL and CARE AAA; Stable by CARE
14.	Series 13- Reissuance III	5,000	Unsecured	Discount	9.30%	5,000	December 13, 2018	June 08, 2028	CRISIL AAA (stable) by CRISIL and CARE AAA; Stable by CARE
		91,590				91,590			

The total outstanding of debentures issued at premium/discount including interest accrued and effective interest rate amortisation is ₹ 91,590 Lakhs.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as described below, there are no outstanding litigations including, suits, criminal or civil prosecutions and taxation related proceedings against our Company and its Board of Directors that may have an adverse effect on our business. Further, there are no defaults, non-payment of statutory dues including, institutional / bank dues and dues payable to holders of any debentures, bonds and fixed deposits that would have a material adverse effect on our business other than unclaimed liabilities against our Company as of the date of this Shelf Prospectus.

The Retail Bond Issuance Committee in its meeting held on September 30, 2019 has adopted a materiality threshold of 3% of the standalone net worth of the Company for the Fiscal 2019, for disclosure of litigation involving our Company, the Directors, Promoter and Group Companies which may have an adverse impact on the position of our Company.

Save as disclosed herein below, there are no: -

- *litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company 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;*
- *pending litigation involving our Company, our Promoters, our Directors, Subsidiaries, Group companies or any other person, whose outcome could have material adverse effect on the position of the issuer;*
- *material fraud committed against our Company in the last five years;*
- *inquiry, 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 in the case of Company and all of its Subsidiaries; and there are no prosecutions filed, fines imposed or compounding of offences done in the last five years immediately preceding the year of this Draft Shelf Prospectus for the Company and all of its Subsidiaries;*
- *pending proceedings initiated against our Company for economic offences; and*
- *Further from time-to-time, we have been and continue to be involved in legal proceedings filed by and/or against us, arising in the ordinary course of our business. These legal proceedings are mostly civil in nature. We believe that the number of proceedings in which we are / were involved is not unusual for a company of our size doing business in India.*

I. Litigation involving our Company

Except as disclosed below, there are no other important legal proceedings involving our Company.

(a) Civil proceedings

- *Against our Company*

NIL

- *By our Company*

1. An amendment to the Maharashtra Stamp Act, 1958 and Registration Act, 1908 was made on 25 May 2012 by the state of Maharashtra which transferred the onus of paying stamp duty from the counterparty to financial institutions and was made applicable with retrospective impact. The matter was challenged in Bombay High Court under Writ Petition 308 of 2014 by various banks and financial institutions including *inter alia* the Company, State Bank of India, Bank of India, Central Bank of India against *inter alia* the State of Maharashtra and the

Inspector General of Registration on the grounds that *inter alia* it violates Article 14 of the Constitution of India by discriminating against banks and financial institutions from other commercial institutions. The Bombay High Court in its final order and judgement in WP No. 308/2014 dated 22 March 2016 (“**Order**”) declined to entertain the challenge made and upheld the constitutional validity of the amendments to the Maharashtra Stamp Act, 1958 and Registration Act, 1908. The parties, including the Company were aggrieved by the Order and appealed against the same in the Supreme Court of India. The Supreme Court of India has stayed all Bombay High Court Orders and the matter is pending before the Supreme Court of India.

2. The Company has filed a Civil Appeal (No.5234 /2012 - or Company. Vs. State of Kerala & Ors) before the Supreme Court of India with respect to questions of law that are of general public importance, (a) Whether the provisions of the Kerala Money Lenders Act (“**KML**”) are applicable to Non-banking Financial Companies (NBFCs) registered with the Reserve Bank of India (RBI) under Section 45-IA of Chapter III-B of the RBI Act; (ii) Whether in view of the provisions Section 45Q of the RBI Act which stipulate that the provisions of Chapter III B of the RBI Act shall have effect not with standing anything inconsistent therewith contained in any other law for the time being enforce or any instrument having effect by virtue of such law and the non banking financial companies being governed by Chapter III B of the RBI Act, the NBFCs would be liable to obtain licenses under the KML Act and adhere to its provisions; (iii) Whether the State Government can apply the provisions of the KML Act to NBFCs in view of Article 246 of the Constitution and Chapter III B having been enacted by Parliament under Entry 43 of the Union List; (iv) Whether the provisions of the KML Act would be applicable to non banking financial companies even in relation to lending rates when the RBI has the power under Chapter III B of the RBI Act pass such directions and would lead to a conflicting situation; (v) Whether NBFCs fall within the definition of a Money Lender within Section 2(7) of the KML Act and; (vii) Whether application of the KML Act on NBFCs registered with and controlled by the Reserve Bank of India would be violative of Article 19(1)(g) of the Constitution of India.

The matter is pending before Supreme Court and was listed for hearing on 10 April 2018 along with the lead matter titled M/S. Muthoot Fincorp Ltd. Versus the State of Kerala And Ors. C.A. No. 5241/2012 but did not came up for hearing.

(b) *Criminal proceedings*

• *Against our Company*

1. Mr. Paresh Chandra Mandal has instituted a case against the Company in April 2015 under Section 156(3) of the Criminal Procedure Code, 1973 which was forwarded to Siliguri Police Station for investigation. Due to a jurisdictional issue the case was transferred to Bhaktinagar Police Station in December 2015. Mr. Paresh Chandra Mandal alleged that his signature was taken on a blank page and his name was forged in documents by Mr. Hasthal Puram Surender. Further, he alleged that the Company had charged an exorbitant interest rate and had sent its agents to encroach his property, to threaten him to pay money. A criminal case has been instituted under Section 420, 460, 384 and 120B of the Indian Penal Code, 1860 against the Company and Mr. Hasthal Puram Surender. However, the Company does not have an employee named Mr. Hasthal Puram Surender. The matter is currently under investigation.
2. Mr. Raj Kishore Sahu has filed a criminal complaint (Criminal Complaint No. 540 of 2010) before the Judicial Magistrate First Class, Jamshedpur against the Branch Manager and Senior Assistant Manager of the Jamshedpur Branch under section 406, 420, 504 and 506 of the Indian Penal Code. The Company has filed an appeal before the Jharkhand High Court. The matter is currently pending.
3. Mr. Sandeep Kumar Lohia, a customer alleged that officials of the Company obtained cheques from him by false representation and also forged the documents regarding loan while disbursement. A criminal complaint has been filed before the Chief Judicial Magistrate, Purulia (Criminal case no. 821/2014) under Section 156 (3) of the Criminal Procedure Code,

1973 for offences under 420, 468, 471, 34 and 120B of the Indian Penal Code. The matter is currently pending and the next date of hearing is 30 October 2019 and meanwhile the matter has been stayed by the West Bengal High Court.

4. A customer, Mr. Rakesh Chakravarty (“Accused”) had availed a housing loan from the Company in March 2016 and the Company had disbursed ₹ 4,88,60,351 (“Loan”). The Loan was granted to the Accused against a security of mortgage by deposit of title deeds of Flat No. 1001 and 1004, 10th floor, “A” Wing, Rushi Towers CHSL, Shri Swami Samarth Nagar, Lokhandwala Complex, Andheri (West), Mumbai (“Flat”), owned by the Ms. Sangeeta Jhunjhunwala (“Complainant”). The Complainant *vide* her FIR dated 3 May 2018 stated that she did not receive the Loan amount handed over by the Company to the Accused and that she had not authorized the Accused to mortgage the Flat. Prior to the Loan, the Complainant had already mortgaged the Flat to Dena Bank and the same was not disclosed to the Company. Upon default of that loan, Dena Bank obtained an order under the SARFESI on 12 January 2018 to attach the property. The Company has filed an application at the Powai police station on 29 May 2018 for registration of FIR against the Accused and the Complainant under Sections 415, 420, 422, 423, 463, 464, 465, 466, 470, 471 read with Section 34 of the Indian Penal Code. Company has also filed a writ petition before the Bombay High Court for quashing the FIR filed by the Complainant against the Company. The writ petition is currently pending for listing before the Bombay High Court.

- *By our Company*

NIL

- (c) *Taxation proceedings*

NIL

- (d) *Other proceedings*

Our Company has filed numerous cases under Section 138 of the Negotiable Instruments Act, 1881, against our customers for dishonour of cheques which were presented to our Company. These cases are pending across different courts in India. Further, in some of the cases, our customers have filed appeals against our Company. As on the date of this Draft Shelf Prospectus, there are approximately 460 cases pending before various courts.

II. Litigation involving our group companies

Except as disclosed below, there are no other important legal proceedings involving our group companies.

- (a) *Civil proceedings*

- *Against our group companies:*

NIL

- *By our group companies:*

Fullerton Securities & Wealth Advisors Limited (“FSWA”)

FSWA has filed 3 (three) 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 approximately 3 (three) such cases filed by FSWA against Sally Media & Entertainment Private Limited and Walton Construction Private Limited. The total amount involved in such cases is approximately ₹ 200 Lakhs. The said matters are currently pending.

**It is to be noted that FSWA is under the process of winding up.*

(b) *Criminal proceedings*

- *Against our group companies:*

Fullerton India Home Finance Company Limited (“FIHFC”)

1. Mr. Sunny Sharma, Mr. Durgaprasad Sharma, Mr. Bahuprasad Sharma and Mr. Suresh Sharma (collectively referred to as “**Borrowers**”) availed a loan of ₹ 225 Lakhs (“**Loan**”) from FIHFC on 22 April 2017 to for purchase of premises being Flat No. 701, 7th Floor, Aawez Heights, Amboli Naka, Andheri (west), Mumbai 400058 (“**Premises**”). The Loan was secured by a mortgage by deposit of title deeds of the Premises by the Borrowers. FIHFC also received a No-objection Certificate, from the developer of the Premises, pertaining to the said mortgage. The Borrowers defaulted in payment of the Loan. Subsequently, FIHFC became aware of the fact that the Premises were apparently sold to one Mr. Pravin Gala by the developer. FIFHC filed an application for registration of a first information report (FIR) against the developer and the Borrowers under Sections 120B, 415, 420, 422, 423, 463, 464, 465, 466, 470 and 471 read with Section 34 of the Indian Penal Code. FIHFC also filed a commercial arbitration petition (Commercial arbitration petition no. 900 of 2018) under section 9 of the Arbitration and Conciliation Act 1996 before the Bombay High Court against the Borrower for disclosure of other assets for additional security.

The Borrower registered a FIR (FIR no 395/2018) against FIHFC and the developer for alleged offences under sections 403, 406, 420 & 34 of the Indian Penal Code. FIHFC filed a criminal writ petition (criminal writ petition no. 4297 of 2018) before the Bombay High Court for quashing of the said FIR. FIHFC also filed an application under Section 14 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 for taking possession of the Premises. The matter is currently pending

- *By our group companies:*

NIL

(c) *Other proceedings*

NIL

III. Litigation involving our Directors

NIL

IV. Litigations by and against our Promoter

As on date of this Draft Shelf Prospectus, (i) there are no other outstanding criminal legal proceedings involving our Promoter; and (ii) there are no material civil, taxation and other legal proceedings involving our Promoter.

V. Details of inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or the Companies Act, 2013 against our Company and its Subsidiaries in the last three years along with Section wise details of prosecutions filed (whether pending or not), fines imposed or compounding of offences against our Company and its Subsidiaries in the last three years

NIL

VI. Details of litigation or legal action pending or taken by any ministry or government department or statutory authority against our Promoter during the last five years and any direction issued by any such

ministry or department or statutory authority upon conclusion of such litigation or legal action, as on date of this Shelf Prospectus.

NIL

VII. Details of acts of material frauds committed against our Company in the last five years:

Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
31 instances of fraud aggregating to ₹ 1,929 Lakhs were reported by the Company.	36 instances of frauds aggregating to ₹ 119 Lakhs were reported by the Company.	28 instances of frauds aggregating to ₹ 51 Lakhs were reported by the Company.	13 instances of fraud aggregating to ₹ 74 Lakhs were reported by the Company.	23 instances of fraud aggregating ₹ 187 Lakhs have been reported by the Company

VIII. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.

NIL

IX. Summary of reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of circulation of this offer letter and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

NIL

REGULATIONS AND POLICIES

The regulations summarised below are not exhaustive and are only intended to provide general information to investors and are neither designed nor intended to be a substitute for any professional legal advice. Taxation statutes such as the IT Act, Central Sales Tax Act, 1956 and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. For 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.

The following description is a summary of certain sector specific laws and regulations and policies as prescribed by the Government of India and other regulatory bodies, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Certain key regulations governing our Company are detailed below:

*We hold a deposit taking NBFC registration certificate (Category A) issued by RBI and as such, our business activities are subject to RBI regulations as applicable to deposit taking NBFCs. However, we have not been accepting any public deposits since long as advised by RBI. Further, RBI has also advised us to surrender the Category A registration (Deposit taking) and seek conversion to non-deposit taking NBFC (Category B). For further details please refer to section titled “**Risk Factors**” on page 19 of this Draft Shelf Prospectus.*

As at September 1, 2016, the RBI issued Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, (updated from time to time) which is applicable to all NBFC-NDSI and NBFC - D.

Regulations governing NBFCs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale/purchase/construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its ‘principal business’ is to be treated as an NBFC. The term ‘principal business’ has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company’s principal business. The company will be treated as an NBFC if its financial assets are more than 50 percent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 percent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalisation of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Reserve Bank Commercial Paper Directions, 2017 (“**Commercial Papers Directions**”) and the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016. In addition to these regulations,

NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and
- NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard.

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

Further, an NBFC may be registered as a deposit accepting NBFC (“**NBFC-D**”) or as a non-deposit accepting NBFC (“**NBFC-ND**”). NBFCs registered with RBI are further classified as:

- Investment and Credit Companies (NBFC-ICC)
- Systemically Important Core Investment Company;
- Infrastructure finance companies.
- Infrastructure debt fund - NBFCs;
- NBFC - micro finance institutions;
- NBFC –Factors;
- Mortgage guarantee companies;
- NBFC- non-operative financial holding company; and
- Non-Banking Financial Company-Peer to Peer Lending Platform.

Our Company has been classified as an NBFC-D.

Systemically Important NBFC-NDs

As per the NBFC Master Directions, the revised threshold for defining systemic significance for NBFCs-ND in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-SI will henceforth be those NBFCs-ND which have asset size of ₹ 5,000 million and above as per the last audited balance sheet. Moreover, as per this amendment, all NBFCs-ND with assets of ₹ 5,000 million and above, irrespective of whether they have accessed public funds or not, shall comply with prudential regulations as applicable to NBFCs-ND-SI. NBFCs-ND-SI is required to comply with conduct of business regulations if customer interface exists.

All systemically important NBFCs are required to maintain a minimum Capital to Risk-Weighted Assets Ratio of 15%.

Rating of NBFCs

Pursuant to the RBI circular DNBS (PD) CC. No.134/03.10.001/2008-2009 dated February 04, 2009, all NBFCs with an asset size of ₹ 1,000 million are required to, as per RBI instructions, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The RBI Master Circular on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (“**ND-SI-Directions**”), amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/investment and norms relating to infrastructure loans. The ND-SI-Directions state that the credit/ investment norms shall not apply to a systemically important non-banking financial company not accessing public funds in India, either directly or

indirectly, and not issuing guarantees.

Corporate governance norms

As per the ND-SI-Directions, all NBFC-ND-SI are required to adhere to certain corporate governance norms, including constitution of an audit committee, a nomination committee, an asset liability management committee and risk management committee. NBFCs are required to furnish to the RBI a quarterly statement on change of directors, and a certificate from the managing director of the NBFC that fit and proper criteria in selection of the directors has been followed. Further, all applicable NBFCs shall have to frame their internal guidelines on corporate governance with the approval of its board of directors, enhancing the scope of the guidelines without sacrificing the spirit underlying the above guidelines and it shall be published on the company's web-site, if any, for the information of various stakeholders constitution of a nomination committee, a risk management committee and certain other norms in connection with disclosure, transparency and connected lending has also been prescribed in the RBI Master Circular. Further, RBI *vide* notification dated November 10, 2014 has mandated the Audit Committee to ensure that an information systems audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the company. RBI has also mandated the NBFCs to have a policy to ascertain the 'fit and proper criteria' at the time of appointment of directors and on a continuing basis.

Provisioning Requirements

An NBFC-ND, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub-standard assets, doubtful assets and loss assets in the manner provided for in the Prudential Norms Directions.

In the interests of counter cyclicity and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI *vide* their circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25% of the outstanding standard assets. RBI *vide* their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 11, 2015 raised the provision for standard assets to 0.40% to be met by March 2018. The provisions on standard assets are not reckoned for arriving at net NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the '*General Provisions on Standard Assets*' in Tier II capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II capital only up to a maximum of 1.25% of the total risk-weighted assets.

Capital Adequacy Norms

Every systemically important NBFC-ND is required to maintain, with effect from April 1, 2007, a minimum capital ratio consisting of Tier I and Tier II capital of not less than 15% of its aggregate risk weighted assets on balance sheet and of risk adjusted value of off-balance sheet items is required to be maintained. Also, the total of the Tier II capital of a NBFC-MFI shall not exceed 100% of the Tier I capital.

Tier-I Capital, has been defined in the ND-SI Directions as, owned funds as reduced by investment in shares of other NBFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, 10% of the owned fund and perpetual debt instruments issued by a systemically important NBFC-ND in each year to the extent it does not exceed 15% of the aggregate Tier I capital of such company as on March 31 of the previous accounting year.

Owned Funds, has been defined in the ND-SI Directions as, paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any.

Tier - II Capital has been defined in the ND-SI Directions, includes the following (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one-and-one-fourth percent of risk weighted assets; (d) hybrid debt capital

instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier - I capital; and (f) perpetual debt instrument issued by a systemically important NBFC-ND, which is in excess of what qualifies for Tier I Capital to the extent that the aggregate Tier-II capital does not exceed 15% of the Tier -I capital.

Hybrid debt means, capital instrument, which possess certain characteristics of equity as well as debt.

Subordinated debt means a fully paid up capital instrument, which is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the NBFC. The book value of such instrument is subjected to discounting as prescribed.

Exposure Norms

In order to ensure better risk management and avoidance of concentration of credit risks, the RBI has, in terms of the Master Direction, prescribed credit exposure limits for financial institutions in respect of their lending to single/ group borrowers. Credit exposure to a single borrower shall not exceed 15% of the owned funds of the systemically important NBFC-ND, while the credit exposure to a single group of borrowers shall not exceed 25% of the owned funds of the systemically important NBFC-ND. Further, the systemically important NBFC-ND may not invest in the shares of another company exceeding 15% of its owned funds, and in the shares of a single group of companies exceeding 25% of its owned funds. However, this prescribed ceiling shall not be applicable on a NBFC-ND-SI for investments in the equity capital of an insurance company to the extent specifically permitted by the RBI. Any NBFC-ND-SI not accessing public funds, either directly or indirectly may make an application to the RBI for modifications in the prescribed ceilings Any systemically important NBFC-ND classified as asset finance company by RBI, may in exceptional circumstances, exceed the above ceilings by 5% of its owned fund, with the approval of its Board of Directors. The loans and investments of the systemically important NBFC-ND taken together may not exceed 25% of its owned funds to or in single party and 40% of its owned funds to or in single group of parties. A systemically important ND-NBFC may, make an application to the RBI for modification in the prescribed ceilings. Further, NBFC ND SI may exceed the concentration of credit/investment norms, by 5% for any single party and by 10% for a single group of parties, if the additional exposure is on account of infrastructure loan and/or investment.

Asset Classification

The Prudential Norms Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

- Standard assets;
- Sub-standard Assets;
- Doubtful Assets; and
- Loss assets

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present every NBFC is required to make a provision for standard assets at 0.40%.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

The prudential norms also specifically prohibit NBFCs from lending against its own shares.

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 20 million. For this purpose, the RBI Act has defined “net owned fund” to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest

balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing,

- (i) investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and
- (ii) the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10% of (a) above.

Further, in accordance with RBI Notification No DNBR.007/CGM (CDS) 2015 dated March 27, 2015 which provides that a non banking financial company holding a certificate of registration issued by the RBI and having net owned fund of less than ₹ 20 million may continue to carry on the business of non banking financial institution, if such company achieves net owned fund of:

- (i) Rs. 10 million before April 1, 2016; and
- (ii) Rs. 20 million before April 1, 2017

Reserve Fund

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

Maintenance of liquid assets

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

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

An NBFC-ND is required to inform the RBI of any change in the address, telephone numbers, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹ 1,000 million or more or holding public deposits of ₹ 2,000 million or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with "Know Your Customer Guidelines - Anti Money Laundering Standards" issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

Reserve Bank of India (Know Your Customer (KYC)) Master Directions, 2016 dated February 25, 2016, as amended ("RBI KYC Directions")

The RBI KYC Directions are applicable to every entity regulated by the RBI, specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated thereunder is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification

procedures and monitoring of transactions. It is advised that all NBFC'S adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India. The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on April 20, 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident's Aadhar number as a document for the purposes of fulfilling KYC requirement.

Master Direction dated September 29, 2016 on Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016

All NBFC-ND-SIs shall put in place a reporting system for frauds and fix staff accountability in respect of delays in reporting of fraud cases to the RBI. An NBFC-ND-SI is required to report all cases of fraud of ₹ 1 lac and above, and if the fraud is of ₹ 10 million or above, the report should be sent in the prescribed format within three weeks from the date of detection thereof. The NBFC-ND-SI shall also report cases of fraud by unscrupulous borrowers and cases of attempted fraud.

Reporting by Statutory Auditor

The statutory auditor of the NBFC-ND is required to submit to the Board of Directors of the company along with the statutory audit report, an additional report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of non-compliance, the statutory auditors are required to directly report the same to the RBI.

Master Direction – Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC-ND-SI, the auditor shall make a separate report to the Board of Directors of the company on *inter alia* examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on March 31 of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the non-banking financial company has been correctly classified as NBFC Micro Finance Institutions (MFI).

Master Direction- Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-SI is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding inter alia asset

liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits on a quarterly basis as well as all Special Mention Accounts-2 status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

Master Direction on Information Technology Framework for the NBFC Sector, 2017

All systemically important NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information Security Framework (“IT”) business continuity planning, disaster recovery and management. NBFCs must constitute an IT Strategy Committee and IT Steering Committee and formulate an IT Policy and an Information Security Policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks. The Master Direction has to be implemented by applicable NBFCs by June 30, 2018.

Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs (“**Risk Management Directions**”). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

Financing of NBFCs by bank

The RBI has issued guidelines *vide* a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006-07 dated December 12, 2006 relating to the financial regulation of systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) all types of loans and advances by NBFCs to their subsidiaries, group companies/entities; and (v) further lending to individuals for the purpose of subscribing to an initial public offer.

Norms for excessive interest rates

In addition, the RBI has introduced *vide* a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

Supervisory Framework

In order to ensure adherence to the regulatory framework by systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor’s report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI. Where the

statement regarding any of the items referred above, is unfavorable or qualified, or in the opinion of the auditor the company has not complied with the regulations issued by RBI, it shall be the obligation of the auditor to make a report containing the details of such unfavourable or qualified statements and/or about the non-compliance, as the case may be, in respect of the company to the concerned Regional Office of the Department of Non-Banking Supervision of the Bank under whose jurisdiction the registered office of the company is located.

Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management (“**ALM**”) System in relation to NBFCs (“**ALM Guidelines**”) that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2015 and Asset Liability Management (ALM) System for NBFCs – Guidelines dated June 27, 2001. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 10,000 Lakhs, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 2,000 Lakhs or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days’ time-bucket should not exceed the prudential limit of 15% of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15% of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

Foreign Investment Regulations

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment (“**FDI**”) Policy and Foreign Exchange Management Act, 1999 (“**FEMA**”). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion (“**DIPP**”) issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the “**SOP**”). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the “**Competent Authority**”) for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict, FEMA prevails.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the FIPB or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, 100% FDI/ Non-Resident Indian (“**NRI**”) investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

The Recovery of Debts due to Banks and Financial Institutions Act, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the “**DRT Act**”) provides for establishment of the Debts Recovery Tribunals (the “**DRTs**”) for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making

application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

Anti-Money Laundering

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 (“**PMLA**”) is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 Lakhs; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 Lakhs where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 Lakhs. Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten years after the business relationship is ended. The identification records and transaction data is to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled “Anti-Money Laundering (AML)/ Combating of Financing of Terrorism (CFT) – Standards” states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document ‘Improving Global AML/CFT Compliance: on-going process’ as on October 23, 2015.

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act**”)**

The SARFAESI 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 or an NBFC 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 SARFAESI 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 SARFAESI 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 SARFAESI 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 securitization company or reconstruction company having regard to the guidelines framed by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower; enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any securitisation company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

Various provisions of the SARFAESI 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 SARFAESI). As per this amendment, the Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016 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 SARFAESI Act

Insolvency and Bankruptcy Code, 2016

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.

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter-alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

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.

Intellectual Property

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

Other Indian laws

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder, relevant central and state tax laws, foreign exchange and investment laws and foreign trade laws and other applicable laws and regulations imposed by the central and state government and other authorities for over day to day business, operations and administration.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on March 13, 2019, the Directors approved the issue of NCDs to the public in one or more tranches, upto an amount not exceeding ₹ 2,00,000 Lakhs (Indian Rupees Two Hundred Thousand Lakhs). Further, the present borrowing is within the overall borrowing limits of ₹ 32,00,000 Lakhs (Indian Rupees Thirty Two Hundred Thousand Lakhs) under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders vide their resolution dated April 8, 2019.

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.

Our Company, our Directors and/or our Promoter have not been categorised as a wilful defaulter by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution nor are they in default of payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six-months.

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, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED AND AK CAPITAL SERVICES 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, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED AND AK CAPITAL SERVICES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•], WHICH READS AS FOLLOWS:

[•]

DISCLAIMER CLAUSE OF THE BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS LETTER DATED [•], PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**

- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR, OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY ANY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN VIDE ITS LETTER REF.: [●] DATED [●] PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

DISCLAIMER CLAUSE OF THE RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED MAY 27, 2011 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY.

DISCLAIMER CLAUSE OF NHB

OUR SUBSIDIARY, FULLERTON INDIA HOME FINANCE COMPANY LIMITED HAS A VALID CERTIFICATE OF REGISTRATION DATED JULY 14, 2015 BEARING REGISTRATION NO. 07.0122.15 ISSUED BY THE 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 FULLERTON INDIA HOME FINANCE COMPANY LIMITED OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY FULLERTON INDIA HOME FINANCE COMPANY LIMITED AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITIES FULLERTON INDIA HOME FINANCE COMPANY LIMITED.

DISCLAIMER STATEMENT FROM THE ISSUER

THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THIS DRAFT SHELF PROSPECTUS ISSUED BY OUR COMPANY IN CONNECTION WITH THE ISSUE OF THE NCDS AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER OWN RISK.

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
Edelweiss Financial Services Limited	www.edelweissfin.com
A.K. Capital Services Limited	www.akgroup.co.in
ICICI Securities Limited	www.icicisecurities.com

Listing

An application has been made to the BSE and NSE for permission to deal in and for an official quotation of our NCDs. NSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by BSE or NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Shelf Prospectus.

Our Company shall ensure that all steps for the completion of the necessary formalities and approvals for listing and commencement of trading at the Stock Exchange mentioned above, are taken within 6 (six) Working Days from the date of closure of the relevant Issue.

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 NCDs with series shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer to the Issue (c) Chief Financial Officer (d) Lead Managers; (e) the Registrar to the Issue, (f) Legal Counsel to the Issue, (g) Credit Rating Agencies, (h) the Debenture Trustee (i) Bankers to our Company (j) Statutory Auditors; (k) CRISIL for Industry Report, to act in their respective capacities, have been obtained and the same will be filed along with a copy of this Draft Shelf Prospectus, Shelf Prospectus and Tranche Prospectus with the ROC as required under Section 26 and Section 31 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Draft Prospectus with the Stock Exchange.

The consent of the Statutory Auditors of our Company, namely BSR & Co. LLP, Chartered Accountants for inclusion of their name as the Statutory Auditors and to include their (i) examination reports, each dated September 30, 2019 on our Reformatted Financial Information. (ii) their report dated September 30, 2019 on the statement of tax benefits, in this Draft Shelf Prospectus (have been obtained and has not withdrawn such consent and the same will be filed with the BSE, NSE and SEBI.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Draft Shelf Prospectus. It has obtained the following:

The consent of the Statutory Auditors of our Company, namely BSR & Co. LLP, Chartered Accountants for inclusion of their name as the Statutory Auditors and to include their (i) examination reports, each dated September 30, 2019 on our Reformatted Financial Information. (ii) their report dated September 30, 2019 on the statement of tax benefits, in this Draft Shelf Prospectus (have been obtained and has not withdrawn such consent and the same will be filed with the BSE, NSE and SEBI.

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 Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

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 Amount 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 to the Issue, refunds will be made to the account prescribed. However, where our Company and/or Registrar to the Issue do not have the necessary information for making such refunds, our Company and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including in the Debt Application Circular and circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Filing of the Draft Shelf Prospectus

A copy of the Draft Self Prospectus has been filed with the BSE and NSE in terms of the SEBI Debt Regulations for dissemination on their 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 relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any non banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in

any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

- A. in deposits with any scheduled bank, free from any charge or lien
- B. in unencumbered securities of the Central Government or any State Government;
- C. in unencumbered securities mentioned in sub-clause (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 sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Reservation

No portion of this Issue has been reserved.

Underwriting

As specified under the relevant Tranche Prospectus(es).

Public / Rights Issues

Public / Rights Issues by our Company as on the Draft Shelf Prospectus:

Our Company has not undertaken any public issue prior to the date of this Draft Shelf Prospectus.

The details of the right issues undertaken in the last 5 (five) years from the date of this Draft Shelf Prospectus are as follows:

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration in cash/ other than cash	Nature of allotment	Cumulative		Share premium account (₹)
						No. of Equity Shares	Equity Share capital (₹)	
November 13, 2015	6,25,00,000	10	24	Cash	Rights Issue to Angelica Investments Pte Ltd	192,11,61,357	1921,16,13,570	87,50,00,000
March 29, 2017	5,89,10,162	10	33.95	Cash	Rights Issue to Angelica Investments Pte Ltd	198,00,71,519	1980,07,15,190	141,08,98,380
September 28, 2018	3,14,26,776	10	47.73	Cash	Rights Issue to Angelica Investments Pte Ltd	201,14,98,295	2011,49,82,950	118,57,32,258
July 12, 2019	4,98,67,021	10	60.16	Cash	Rights Issue to Angelica Investments Pte Ltd	206,13,65,316	2061,36,53,160	250,13,29,773

Public / Rights Issues (to the public) by our Group Companies in the last 5 (five) years from dated of this Draft Shelf Prospectus:

Our Group Companies have not undertaken any public issues in the last 5 (five) years from the date of this Draft Shelf Prospectus

The following Group Company have undertaken the following rights issues in the last 5 (five) years from the date of this Draft Shelf Prospectus:

Fullerton India Home Finance Company Limited

Date of allotment	No. of Equity Shares	Face value (₹)	Issue price (₹)	Consideration in cash/ other than cash	Nature of allotment	Cumulative		Share premium account(₹)
						No. of Equity Shares	Equity Share capital (₹)	
December 18, 2014	80,00,000	10	10	Cash	Right issue to our Company	1,00,00,000	10,00,00,000	-
November 26, 2015	4,76,19,048	10	10.50	Cash	Right issue to our Company	5,76,19,048	57,61,90,480	2,38,09,524
May 24, 2016	2,38,09,524	10	21.00	Cash	Right issue to our Company	8,14,28,572	81,42,85,720	26,19,04,764
September 27, 2016	2,29,35,780	10	21.80	Cash	Right issue to our Company	10,43,64,352	104,36,43,520	27,06,42,204
March 31, 2017	9,09,09,091	10	22.00	Cash	Right issue to our Company	19,52,73,443	1,95,27,34,430	1,09,09,09,092
September 28, 2018	5,00,83,473	10	29.95	Cash	Right issue to our Company	24,53,56,916	2,45,35,69,160	99,91,65,286
July 15, 2019	6,26,76,277	10	31.91	Cash	Right issue to our Company	30,80,33,193	3,08,03,31,930	1,37,32,37,229

Other than as disclosed above, there are no other public / rights issues (to the public) by our Group Companies during the last 5 (five) years from the date of the Draft Shelf Prospectus.

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on June 30, 2019, our Company has listed secured non-convertible debentures and listed subordinated debt. For further details see chapter titled “*Financial Indebtedness*” on page 153 of this Draft Shelf Prospectus. Our Company has not issued any preference shares as on June 30, 2019.

Dividend

Our Company has a Board approved dividend policy. The declaration and payment of dividends, if any, 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 requirements and overall financial condition.

No dividend has been declared by our Company on the equity shares for the Fiscals 2019, 2018, 2017, 2016 and 2015.

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 September 24, 2019 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:

LINK INTIME INDIA PRIVATE LIMITED

C- 101 1st Floor 247 Park
LBS Marg, Vikhroli (West)
Mumbai 400083, Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
Email: fullertonindia.ncd@linkintime.co.in
Investor Grievance mail: fullertonindia.ncd@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
Registration Number: INR000004058
CIN: U67190MH1999PTC118368

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this MoU and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed seven (7) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a 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 Company Secretary of our Company and Compliance Officer for the purposes of this Issue are set out below:

Mr. Arun Mulge

Address: Supreme Business Park,
Floors 5 & 6, B Wing,
Supreme IT Park, Supreme City,
Powai, Mumbai 400 076.
Tel.: +91 22 - 6749 1234
Fax: +91 22 - 6710 3309
Email: secretarial@fullertonindia.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, transfers, etc.

Change in Auditors of our Company during the last three years

Details of change(s) in the statutory auditors of our Company in the last 3 (three) financial years preceding the date of this Draft Shelf Prospectus as follows:

Name	Address	Date of appointment	Date of cessation
S.R. Batliboi & Co. LLP (Appointed for one year)	14 th Floor, The Ruby, 29 Senapati Bapat Marg, Dadar – West, Mumbai – 400 028.	14/07/2016	12/07/2017
B S R & Co. LLP Appointed for five years starting From July	BSR & Co. LLP, Chartered Accountants	12/07/2017	-

12, 2017 (i.e. date of 22nd Annual General Meeting) until the conclusion of the 27th Annual General Meeting to be held in 2022.	5 th Floor, Lodha Excelus, Apollo Mills Compound NM Joshi Marg, Mahalaxmi Mumbai 400 011		
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Details of overall lending by our Company as of March 31, 2019

A. Type of loans:

The detailed break-up of the type of loans and advances including bills receivables given by our Company as on March 31, 2019 is as follows:

(₹ in Lakhs)

S. No.	Type of Loans	Amount*
1.	Secured	8,23,421
2.	Unsecured	13,01,531
Total		21,24,952

*represents principal outstanding

B. Sectoral Exposure as on March 31, 2019

(₹ in Lakhs)

S. No	Sector-wise break-up of Loans	Portfolio Loans
1	Retail	
a	Mortgages (home loans and loans against property)	518,292
b	Gold loans	Nil
c	Vehicle finance	169,481
d	MFI	Nil
e	M&SME	130,159
f	Capital market funding (loans against shares, margin funding)	300
g	Others	1,301,703
2	Wholesale	
a	Infrastructure	Nil
b	Real estate (including builder loans)	5,017
c	Promoter funding	Nil
d	Structured Finance Group	Nil
e	Supply Chain finance	Nil
f	Others	Nil
Total		2,124,953

C. Denomination of the loans outstanding by ticket size as on March 31, 2019:

Sl. No.	Ticket size (in ₹)	Percentage of AUM
1.	Upto 2 Lakhs	32.90%
2.	2 to 5 Lakhs	21.62%
3.	5 to 10 Lakhs	13.86%
4.	10 to 25 Lakhs	9.12%
5.	25 to 50 Lakhs	5.91%
6.	50 lakh-1 Crore	2.55%
7.	1 - 5 Crore	8.69%
8.	5 - 25 Crore	5.35%
9.	25 - 100 Crore	0.00%

Sl. No.	Ticket size (in ₹)	Percentage of AUM
10.	Above 100 Crore	0.00%
Total		100.00%

D. Denomination of loans outstanding by LTV as on March 31, 2019

Sl. No.	LTV	Percentage of AUM
1.	Upto 40%	24.94%
2.	40%-50%	18.72%
3.	50%-60%	9.50%
4.	60%-70%	13.82%
5.	70%-80%	14.52%
6.	80%-90%	12.49%
7.	Above 90%	6.01%
Total		100.00%

E. Geographical classification of our borrowers as on March 31, 2019

Sl. No.	Top 5 States	Percentage of AUM
1.	Tamil Nadu	17.9%
2.	Karnataka	13.9%
3.	Maharashtra	13.1%
4.	Rajasthan	9.5%
5.	Gujarat	8.1%
Total		62.4%

F. (a) Details of top 20 borrowers with respect to concentration of advances as on March 31, 2019
(₹ in Lakhs)

Particulars	Amount
Total advances to twenty largest borrowers	29,585
Percentage of advances to twenty largest borrowers to total advances to our Company	1%

(b) Details of top 20 borrowers with respect to concentration of exposure as on March 31, 2019:

Particulars	Amount
Total exposure to twenty largest borrowers	30,014
Percentage of exposure to twenty largest borrowers to total exposure to our Company	1%

G. Details of loans overdue and classified as non-performing in accordance with RBI's guidelines as on March 31, 2019:

1. Movement of Gross NPAs

Sl. No.	Particulars	Amount
1.	Opening balance	37,869
2.	Additions during the year	83,922
3.	Reductions during the year (upgradations, recoveries and write offs)	79,112
4.	Closing balance	42,679

2. Movement of provisions for NPAs (excluding provisions on standard assets)

(₹ in Lakhs)

Sl. No.	Particulars	Amount
1.	Opening balance	15,939
2.	Provisions made during the year	38,074
3.	Write-off / write-back of excess provisions	32,278
4.	Closing balance	21,735

3. Sector-wise gross NPA as on March 31, 2019

(₹ in Lakhs)

S. No	Sector-wise gross NPA	Gross NPA
1	Retail	
a	Mortgages (home loans and loans against property)	19,612
b	Gold loans	-
c	Vehicle finance	4,938
d	MFI	-
e	M&SME	8,014
f	Capital market funding (loans against shares, margin funding)	-
g	Others	10,115
2	Wholesale	
a	Infrastructure	-
b	Real estate (including builder loans)	-
c	Promoter funding	-
d	Structured Finance Group	-
e	Supply Chain finance	-
f	Others	-
	Total	42,679

4. Our Company has not provided any loans/advances to associates, entities/person relating to the board, senior management, Promoter except as provided for in the chapter titled "Related Party Transaction" on page 147 of this Draft Shelf Prospectus.

Onward lending to borrowers forming part of the "Group" as defined by RBI:

Name of the Borrower (A)	Amount of advances / exposures to such Borrower (Group) (₹ in Lakhs)	Percentage of exposure (C) = B/Total AUM
NIL	NIL	NIL

5. Residual/ Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (As of March 31, 2019)

(₹ in Lakhs)

Particulars	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year months up to 3 years	Over 3 year months up to 5 years	Over 5 years	Total
Advances	86,419	65,827	65,353	1,95,842	3,51,667	7,29,211	3,19,617	2,75,701	20,89,638
Investments	47,615	-	-	19,211	65,412	-	-	59,436	1,91,675
Borrowings	34,896	36,792	96,927	1,46,289	2,75,352	9,41,774	3,19,548	85,822	19,37,401

6. Concentration of Exposure and NPA as of March 31, 2019

<i>(₹ in Lakhs)</i>	
Particulars	Amount
Total Exposure to top four NPA accounts	5,448

- (a) Lending policy: For details on lending policy please see the chapter titled “*Our Business*” on page 93 of this Draft Shelf Prospectus.
- (b) Classification of loans/advances given to associates, entities/person relating to the board, senior management, Promoter: As disclosed in the chapter titled “*Financial Information*” on page 148 of this Draft Shelf Prospectus.

Pre-Issue Advertisement:

Subject to Section 30 of the Companies Act 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date. This advertisement will contain the information as prescribed under SEBI Debt Regulations. Material updates, if any, between the date of filing of this Draft Shelf Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

Auditor’s Remarks

There are no reservations or qualifications or adverse remarks in the financial statements of our Company in the last five financial years immediately preceding this Draft Shelf Prospectus.

Trading

Debt securities issued by our Company, which are listed on BSE and NSE’s 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.

Caution

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

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

SECTION VII- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The key common terms and conditions of the NCDs are as follows:

Issuer	Fullerton India Credit Company 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 Issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, A.K. Capital Services Limited and ICICI Securities Limited.
Debenture Trustee	Catalyst Trusteeship Limited
Depositories	NSDL and CDSL
Registrar to the Issue/Registrar	Link Intime India Private Limited
Base Issue	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	<p>The following categories of persons are eligible to apply in the Issue:</p> <p>Category I (Institutional Investors)</p> <ul style="list-style-type: none"> • 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; subject to investment conditions applicable to them under Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; • 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 <p>Category II (Non Institutional Investors)</p> <ul style="list-style-type: none"> • 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;

	<ul style="list-style-type: none"> 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 <p>Category III (High Net-worth Individual Investors) (“HNIs”),</p> <ul style="list-style-type: none"> High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 Lakhs across all series of NCDs in Issue <p>Category IV (Retail Individual Investors)</p> <ul style="list-style-type: none"> Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 Lakhs across all series of NCDs in Issue
Objects of the Issue	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 61 of this Draft Shelf Prospectus
Details of utilization of the proceeds	Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 61 of this Draft Shelf Prospectus
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
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	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption premium/ discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face value	Rs.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 yield as a result of such discount.	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call option price	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put notification time.	As specified in the relevant Tranche Prospectus for each Tranche Issue
Call notification time	As specified in the relevant Tranche Prospectus for each Tranche Issue
Minimum Application size and in multiples of NCD thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue
Market Lot/ Trading Lot	1 (one)
Pay-in date	Application Date. The entire Application Amount is payable on Application

Credit ratings	The NCDs proposed to be issued under this Issue have been rated ‘CRISIL/AAA (stable) (pronounced as CRISIL triple A rating with stable outlook)’ for an amount of ₹ 2,00,000 Lakhs, by CRISIL vide their letter dated July 5, 2019 and revalidated vide revalidation letter dated August 20, 2019 and further revalidated vide revalidation letter dated September 16, 2019, and ‘[ICRA] AAA (Stable) (pronounced as ICRA triple A rating with stable outlook) for an amount of ₹ 2,00,000 Lakhs, by ICRA vide their letter dated July 22, 2019 and revalidated vide revalidation letter dated August 30, 2019. The rating of NCDs by CRISIL and ICRA indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. Such instruments carry very low credit risk. These ratings are not recommendations to buy, sell or hold securities and investors should take their own decision. These ratings are subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings. For the rating and the rationale for these ratings, see Annexures A and B of this Draft Shelf Prospectus
Listing	The NCDs are proposed to be listed on NSE and BSE. NSE shall be the designated stock exchange for the Issue. The NCDs shall be listed within 6 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 “ <i>Issue Procedure – Terms of Payment</i> ” on page 225 of this Draft Shelf Prospectus
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 the Retail Bond Issuance 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 reputed daily national newspaper with wide circulation on or before such earlier or extended date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE and NSE. For further details please refer to the chapter titled “ <i>General Information</i> ” on page 48 of this Draft Shelf Prospectus.
Record date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days (as specified under respective Tranche Prospectus) prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Retail Bond Issuance Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date.
Security and Asset Cover	The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of pari passu charge in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon). For further details please refer to the section

	titled “ Terms of the Issue – Security ” on page 201 of this Draft Shelf Prospectus.
Issue documents	This Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus(es) 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 and the Registrar Agreement. For further details, please refer to “ Material Contracts and Documents for Inspection ” on page 285 of this Draft Shelf Prospectus.
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 2013 of this Draft Shelf Prospectus.
Deemed date of Allotment	The date on which the Board of Directors or Retail Bond Issuance Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board. 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 202 of this Draft Shelf Prospectus.
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
Working day convention	If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the 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.

** 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.*

*** The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the Retail Bond Issuance 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 reputed daily national newspaper with wide circulation on or before such earlier or extended date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE and NSE.*

SPECIFIC TERMS FOR EACH SERIES OF NCDs

As specified in the relevant Tranche Prospectus.

Terms of payment

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

unlock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of this Draft Shelf Prospectus, the Shelf Prospectus and the respective Tranche Prospectus.

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 NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the "Securities Act") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. This Draft Shelf Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account) held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

For further details, see the section titled "**Issue Procedure**" on page 213 of this Draft Shelf Prospectus.

Day Count Convention

Interest shall be computed on an actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing 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, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

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 October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016, as the case may be, will be disclosed in the respective Tranche Prospectus.

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 March 13, 2019. Further, the proposed borrowing is within the borrowing limits of ₹ 32,00,000 Lakhs (Indian Rupees Thirty Two Hundred Thousand Lakhs) under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders in the EGM held on April 8, 2019.

Principal Terms and Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the SEBI Debt Regulations, the Companies Act, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, the Shelf Prospectus, the Application Forms, the Abridged Prospectus, statutory advertisement and corrigendum if any, 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/Stock Exchange, RBI and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured obligations of the Company and shall rank *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, be secured by way of *pari passu* in favour of the Debenture Trustee on specific present and/or future receivables/assets of our Company and/or *pari passu* charge on an identified immovable property of the Company, as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets equal to the value one time of the debentures outstanding plus interest accrued thereon, and subject to any obligations under applicable statutory and/or regulatory requirements. The claims of the NCD Holders shall be superior to the claims of any unsecured creditors, subject to applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under the Issue and all earlier issues of debentures outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption.

Security

The principal amount of the NCDs to be issued in terms of this Draft Shelf Prospectus and the Shelf Prospectus together with all interest due on the NCDs in respect thereof shall be secured by way of *pari passu* charge in favour of the Debenture Trustee on present and/or future receivables/assets and/or *pari passu* charge on an identified immovable property of the Company as may be decided mutually by our Company and the Debenture Trustee. Our Company will create appropriate security in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% asset cover for the NCDs (along with the interest due thereon). The Issuer undertakes that the necessary documents for the creation of the security, including the Debenture Trust Deed would be executed within the time frame prescribed as per applicable law and the same would be uploaded on the website of the Designated Stock Exchange, within five working days of execution of the same.

Debenture Trust Deed(s)

Our Company intends to enter into Debenture Trust Deeds with the Debenture Trustee for the benefit of the NCD Holders, the terms of which will *inter alia* govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deeds before the Allotment of NCDs.

Under the terms of the Debenture Trust Deeds, our Company will covenant with Debenture Trustee that it will pay the NCDs Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on the NCDs at the rates specified in the respective Tranche Prospectus and Debenture Trust Deeds. The Debenture Trust Deed will also provide that the Company may withdraw any portion of the Security or replace with another assets of the same or higher value. However, in case of Debenture Trust Deed, the

Company reserve the right to create pari passu charge on the said immovable property without seeking NOC from each NCDs Holders and the Debenture Trustee is empowered to issue NOC to create pari passu charge on the said immovable property for future issuances.

Debenture Redemption Reserve

In accordance with recent amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI Debt Regulations, any non banking finance company that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-20 had announced that non-banking finance companies raising funds in public issues would be exempt from the requirement of creating a DRR. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Draft Shelf Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

- A. in deposits with any scheduled bank, free from any charge or lien
- B. in unencumbered securities of the Central Government or any State Government;
- C. in unencumbered securities mentioned in sub-clause (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 sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

Face Value

The face value of each NCD shall be ₹ 1,000.

Trustees for the NCD Holders

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 Debenture Trust Deeds, for *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 happening of an Event of Default in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised

officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us pro tanto to the NCD Holder(s).

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 Deeds.

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 shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. 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 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 Holders 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 SEBI 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 and the relevant Tranche Prospectus, the Application Forms, the Abridged Prospectus,

Corrigendum if any, addendum if any, 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. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The same shall be maintained at the registered office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD holders.
- 6 Subject to compliance with applicable statutory 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 shall redeem the NCDs, 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 the Offer Document and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Section 72 of the Companies Act 2013, Any NCD Holder may, at any time, nominate, any person as his nominee in whom the NCDs shall vest in the event of his death. On the receipt of the said nomination as per prescribed law a corresponding entry shall forthwith be made in the relevant register of securities holders, maintained under Section 88 of the Companies Act, 2013.

Where the NCDs are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, any person to whom all the rights in the NCDs shall vest in the event of death of all the joint holders. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate as prescribed any person as nominee.

The request for nomination should be recorded by the Company within a period of two months from the date of receipt of the duly filled and signed nomination form. In the event of death of the NCD Holder or where the NCDs are held by more than one person jointly, in the event of death of all the joint holders, the person nominated as the nominee may upon the production of such evidence as may be required by the Board, elect, either:

- (a) to register himself as holder of the NCDs; or
- (b) to transfer the NCDs as the deceased holder could have done.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the NCDs himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects, and such notice shall be accompanied with the death certificate of the deceased NCD Holder(s).

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the NCDs, where a nomination made in the prescribed manner purports to confer on any person the right to vest the NCDs. the nominee shall, on the death of the holder of NCDs or, as the case may be, on the death of the joint holders, become entitled to all the rights in the NCDs, of the NCD Holder or, as the case may be, of all the joint holders, in relation to the said NCDs, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

All the limitations, restrictions and provisions of the Companies Act 2013 relating to the right to transfer and the registration of transfers of the NCDs shall be applicable to any such notice or transfer as aforesaid as if the death of the NCD Holder had not occurred and the notice or transfer were a transfer signed by that NCD Holder. Where the nominee is a minor, it shall be lawful for the NCD Holder, making the nomination to appoint, in the

prescribed manner, any person to become entitled to the NCDs, in the event of the death of the nominee during his minority. Where the nominee is a minor, NCD Holder making the nomination, may appoint a person as specified under sub-rule (1) of Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, who shall become entitled to the NCDs, in the event of death of the nominee during his minority.

A person, being a nominee, becoming entitled to NCDs by reason of the death of the NCD Holder shall be entitled to the same interests and other advantages to which he would have been entitled to if he were the registered NCD Holder except that he shall not, before being registered as a NCD Holder in respect of such NCDs, be entitled in respect of these NCDs to exercise any right conferred by subscription to the same in relation to meetings of the NCD Holders convened by the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the NCDs, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of interests, bonuses or other moneys payable in respect of the said NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received.

Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Jurisdiction

Our Company has in the Debenture Trustee Agreement agreed, for the exclusive benefit of the Debenture Trustee and the Debenture holders, that the courts in Mumbai, Maharashtra are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Debenture Trust or the NCDs and that accordingly any suit, action or proceedings (together referred to as “**Proceedings**”) arising out of or in connection with the Debenture Trust Deed and the NCDs may be brought only in the courts in Mumbai, Maharashtra.

Application in the Issue

NCDs being issued through the Offer Document can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Issue shall be made through the ASBA facility only.

In terms of Regulation 4(2)(d) of the SEBI 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 of the Investors who wish to hold the Secured NCDs in physical form will rematerialize the NCDs. However, any trading of the NCDs shall be compulsorily in dematerialised form only.

Form of Allotment and Denomination of NCDs

As per the Debt Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of one (1) NCD (“**Market Lot**”). Allotment in the Issue to all Allottees, will be in electronic form i.e. in dematerialised form and in multiples of one NCD.

For details of allotment refer to chapter titled “Issue Procedure” under section titled “**Issue Related Information**” beginning on page 196 of this Draft Shelf Prospectus.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by

NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Company or Registrar.

Title

The NCD Holder(s) for the time being appearing in the record of beneficial owners maintained by the Depository 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.

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders 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 NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Period of Subscription

ISSUE PROGRAMME	
ISSUE OPENS ON	As specified in the relevant Tranche Prospectus for the relevant Tranche Issue

ISSUE CLOSES ON	As specified in the relevant Tranche Prospectus for the relevant Tranche Issue
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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 the Retail Bond Issuance 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 reputed daily national newspaper with wide circulation on or before such earlier or extended date of Issue closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by BSE and NSE, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE and NSE*

*Further please note that Application shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time, “IST”) (“**Bidding Period**”) during the Issue Period as mentioned above by the (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs as mentioned on the Application Form, except that on the Issue Closing Date when Applications shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and shall be uploaded until 5.00 p.m. (IST) or such extended time as permitted by Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange Platform would be rejected.*

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Shelf Prospectus are Indian Standard Time. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time.

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

Interest and Payment of Interest

Interest on NCDs

As specified in the Tranche Prospectus.

Payment of Interest

As specified in the 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.

If the date of interest payment falls on a Saturday, Sunday or a public holiday in Mumbai or any other payment centre notified in terms of the Negotiable Instruments Act, 1881, then interest would be paid on the next working day. Payment of interest would be subject to the deduction as prescribed in the I.T. Act or any statutory modification or re-enactment thereof for the time being in force.

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.

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 ₹ 1000 per NCD is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of the Prospectus.

Manner of Payment of Interest /Refund/ Redemption Amounts

The manner of payment of interest / refund/redemption amounts in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption amount as the case may be. Applicants who 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 the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

Printing of Bank Particulars on Interest/Redemption Warrants

As a matter of precaution against possible fraudulent encashment of 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 warrants. In relation to NCDs held in dematerialized form, these particulars would be taken directly from the depositories. Bank account particulars will be printed on the warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, from time to time, consider, subject to applicable statutory and/or regulatory requirements including but not limited to SEBI Debt Regulation, buyback of NCDs, upon such terms and conditions as may be decided by our Company without consent from debenture trustee or debenture holders.

Record Date

The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days (as specified under respective Tranche Prospectus) prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Board of Directors or the Retail Bond Issuance Committee from time to time in accordance with the applicable law. Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be

In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day will be deemed as the Record Date

Procedure for Redemption by NCD Holders

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Procedure for rematerialisation of NCDs

Debenture Holders who wish to hold the NCDs in physical form may do so by submitting a request to their depository participant at any time after Allotment in accordance with the applicable procedure stipulated by the depository participant, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of NCDs who propose to rematerialise 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 PAN to our Company and the depository participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs Allotted pursuant to this Issue. Pursuant to the SEBI Debt Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, with effect from April 1, 2019.

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 dematerialised 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 Company or Registrar. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 read with SEBI Press release (no. 49/ 2018) dated December 3, 2018, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from April 1, 2019. However, any trading of the NCDs issued pursuant to this Issue shall be compulsorily in dematerialised form only

Payment on Redemption

The manner of payment of redemption is set out below:

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).

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 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.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Issue Opening Date of respective Tranche Prospectus. 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 with ROC and the date of release of the statutory advertisement, will be included in the statutory advertisement.

Impersonation

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

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.”*

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh million or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount

involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of the Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Draft Shelf Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement and advertisement for opening or closure of the issue have been given.

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 Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

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 Amount 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 to the Issue, refunds will be made to the account prescribed. However, where our Company and/or Registrar to the Issue do not have the necessary information for making such refunds, our Company and/or Registrar to the Issue will follow the guidelines prescribed by SEBI in this regard including in the Debt Application Circular and circular regarding Strengthening the Guidelines and Raising Industry Standard for RTA, Issuer Companies and Banker to an Issue bearing no. HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018.

Guarantee/Letter of Comfort

The Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

- (a) All monies received out of the Issue shall be credited/ transferred to a separate bank account maintained with a scheduled bank as referred to in section 40(3) of the Companies Act 2013;
- (b) Details of all monies utilised out of the Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised 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;
- (c) Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested;
- (d) We shall utilize the Issue proceeds only upon allotment of the NCDs, execution of Debenture Trust Deeds, receipt of the listing and trading approval from the Stock Exchange;

- (e) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property; and
- (f) Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.

Monitoring & Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended. The Audit Committee shall monitor the utilization of the proceeds of the Issue in accordance with its terms of reference. For the financial year ending March 31, 2020, our Company will disclose in its financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

Lien

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder, to the extent of all outstanding dues, if any by the NCD Holder to our Company.

Lien on Pledge of NCDs

Subject to applicable 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.

Listing

The NCDs offered through this Draft Shelf Prospectus are proposed to be listed on BSE and NSE. Our Company has obtained an 'in-principle' approval for the Issue from BSE and NSE vide letter no [●] dated [●] and letter no [●] dated [●] respectively. For the purposes of the Issue, NSE shall be the Designated Stock Exchange. If permissions to deal in and for an official quotation of our NCDs are not granted by BSE or NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Draft Shelf Prospectus.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

ISSUE PROCEDURE

This section applies to all Applicants. Pursuant to the circular (CIR/DDHS/P/121/2018) dated August 16, 2018 issued by SEBI, all Applicants are required to apply for in the Issue through the ASBA process. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. ASBA Applicants ensure that their respective ASBA accounts can be blocked by the SCSBs, in the relevant ASBA Accounts. Applicants should note that they may submit their Applications to the Lead Managers or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft 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**") as modified by circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI and circular no. CIR/DDHS/P/121/2018 dated August 16, 2018 issued by SEBI ("**Debt ASBA Circular**").*

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 as provided for in the Debt Application Circular have been sought from the Stock Exchange.

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 the Stock Exchange, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE MEMBERS OF THE SYNDICATE AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GREIVANCES ARISING FROM APPLICATIONS THROUGH DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

For purposes of the Issue, the term "Working Day" shall mean all days excluding Saturdays, 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 on the Stock Exchange, Working Days shall mean all trading days of the Stock Exchange, excluding Sundays and Bank holidays in Mumbai as per the SEBI Circular CIR/DDHS/P/121/2018 dated August 16, 2018.

The information below is given for the benefit of the investors. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

PROCEDURE FOR APPLICATION

How to Apply?

Availability of this Draft Shelf Prospectus, the Shelf Prospectus, Tranche Prospectus(es), Abridged Prospectus,

and Application Forms

Please note that there is a single Application Form for Applicants who are Persons Resident in India.

Physical copies of the Abridged Prospectus, containing the salient features of the Prospectus together with Application Forms may be obtained from:

- (a) Our Company's Registered Office and Corporate Office;
- (b) Offices of the Lead Managers;
- (c) Offices of the Lead Brokers;
- (d) Registrar to the Issue
- (e) Designated RTA Locations for RTAs;
- (f) Designated CDP Locations for CDPs; and
- (g) Designated Branches of the SCSBs.

Electronic copies of the Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Managers, the Stock Exchange, SEBI and the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchange and on the websites of the SCSBs that permit submission of 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 the Stock Exchange can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

Who are eligible to apply for NCDs?

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 Investors ("HNIs") and Retail Individual Investors	Retail Individual Investors
<ul style="list-style-type: none"> • 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, subject to investment conditions applicable to them under Securities and 	<ul style="list-style-type: none"> • 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; 	<p>High Net-worth individuals which include Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 Lakhs across all series of NCDs in Issue</p>	<p>Retail Individual Investors which include Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 Lakhs across all series of NCDs in Issue</p>

Category I	Category II	Category III	Category IV
Institutional Investors	Non Institutional Investors	High Net-worth Individual Investors (“HNIs”) and Retail Individual Investors	Retail Individual Investors
<p>Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</p> <ul style="list-style-type: none"> • 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; and • 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. 	<ul style="list-style-type: none"> • 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 Application(s) 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 Lead Managers 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:

- (a) Minors without a guardian name*;
- (b) Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;

- (c) Persons resident outside India;
- (d) FIIs;
- (e) FPIs;
- (f) Qualified foreign investors;
- (g) Overseas Corporate Bodies; and
- (h) Person 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 228 of this Draft Shelf Prospectus, for information on rejection of Applications.

Method of Application

In terms of the SEBI circular CIR/DDHS/P/121/2018 dated August 16, 2018, an eligible investor desirous of applying in this Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the Debt Application Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the Debt Application Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism infrastructure for the implementation of the Debt Application Circular and the Direct Online Application Mechanism. 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.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Applicants should submit the Application Form only at the Bidding Centres, i.e. to the respective Members of the Syndicate at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <https://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Issue should be made by Applicants directly to the relevant Stock

Exchange.

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

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, the Articles of Association, Memorandum of Association, PAN card and list of authorised signatoires 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.**

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 the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to 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.**

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 Applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be lodged along with 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 therefore.**

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time to time including the IRDAI Investment Regulations.

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 SEBI registration certificate. 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.**

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 the Issue based on their own investment limits and approvals. The Application Form must be accompanied by a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditors). **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, 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 funds which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of incorporation/ registration under any Act/Rules under which they are incorporated. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Funds

Application made by a National Investment Funds for Allotment of the NCDs in physical form must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in physical form in whole or in part, in either case, without assigning any reasons therefore.**

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of the registration under the Act/ Rules under which they are incorporated. **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 the registration under the Act/ Rules under which they are incorporated. **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 certified copy of certificate of the Partnership Deed or registration issued under the Limited Liability Partnership Act, 2008, as applicable. **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 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 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

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Managers and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Investors are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the Application Form, prior to uploading such 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 Application and shall not upload such 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 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 being made in the electronic mode, the Applicant shall submit the 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 Application.

- (b) Physically through the Designated Intermediaries at the respective Bidding Centres. Kindly note that above Applications submitted to any of the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the Application Form, has not named at least one branch at that Bidding Centre where the Application Form is submitted (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 Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Centre, named by such SCSB to accept such Applications from the Designated Intermediaries (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, 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 Application Form. **If sufficient funds are not available in the ASBA Account, the relevant Application Form 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 Application Form. 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 this Issue or until withdrawal/ rejection of the Application Form, as the case may be.

Applicants must note that:

- (a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries (other than Trading Members of the Stock Exchange) at the respective Collection Centers; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the electronic version of the Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
- (b) The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any Application directly from Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please refer to "**Issue Structure**" on page 196 of this Draft Shelf Prospectus.
- (c) Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Direct Online Applications

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.

In the event the Direct Online Application facility is implemented by the Stock Exchange, relevant "know your

customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number (“UAN”) and an SMS or an e-mail confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per the Debt Application Circular issued by SEBI, the availability of the Direct Online Applications facility is subject to the Stock Exchange putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchange and/or SEBI.

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 Prospectus the Abridged Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications must be for a minimum of [•] NCDs and in multiples of [•] NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of [•] NCDs, an Applicant may choose to apply for [•] NCDs or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- The Designated Intermediaries 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 Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold a valid 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.
- 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 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
- Applicants must provide details of valid and active DP ID, Client ID and PAN clearly and without

error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Designated Intermediaries, 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. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account;

- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a Member of the Syndicate or to the Trading Members of the Stock Exchange on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchange, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, 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 [•] NCDs, as specified in this Draft Shelf Prospectus to all valid Applications, wherein the applicants have not indicated their choice of the relevant series of NCDs.

A. Applicant's Beneficiary Account Details

Applicants 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 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 and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected. Further, Application Forms submitted by Applicants whose beneficiary accounts are inactive, will be rejected. On the basis of the Demographic details as appearing on the records of the DP, the Registrar to the Issue will issue Allotment Advice 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 delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, Bankers to the Issue, SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same. 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 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.**

B. Permanent Account Number (PAN)

The Applicant should mention his or her 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 general index register number i.e. 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.

C. Joint Applications

Applications made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

D. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, subject to a minimum application size of ₹ [•] and in multiples of [•] thereafter as specified in the Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** 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 HUF 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, 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 and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
5. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
6. Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
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 of the SCSB, or to the Designated Intermediaries, as the case may be;

8. Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;
9. Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
10. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
11. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application number, 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;
12. Ensure that signatures other than in the languages specified in the 8th Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
13. Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
14. 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;
15. Ensure that the Applications are submitted to the Designated Intermediaries, 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 "*Issue Structure*" on page 196 of this Draft Shelf Prospectus.
16. **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;
17. 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;
18. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form.

In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Circular No. CIR/DDHS/P/121/2018 dated August 16, 2018 stipulating the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by cheque, by money order, demand draft or by postal order or

by stock invest;

3. Do not send Application Forms by post instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be;
4. Do not submit the Application Form to any non-SCSB bank or our Company.
5. Do not Bid on an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
6. 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;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
8. 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;
9. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
10. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
11. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
12. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
13. Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
14. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
15. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by persons resident outside india, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA); and
16. Do not make an application of the NCD on multiple copies taken of a single form.
17. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue; and
18. Do not submit more than five Application Forms per ASBA Account.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Please refer to “Rejection of Applications” on page 228 of this Draft Shelf Prospectus, for information on rejection of Applications.

TERMS OF PAYMENT

The Application Forms will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such Applications from the Designated Intermediaries, (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 Application.

The entire Application Amount for the NCDs is payable on Application only. The relevant SCSB shall block an amount equivalent to the entire Application Amount in the ASBA Account at the time of upload of the Application Form. In case of Allotment of lesser number of NCDs than the number applied, the Registrar to the Issue shall instruct the SCSBs to unblock the excess amount in the ASBA Account. For 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 Application, before entering the Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of

funds in the ASBA Account. **Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the Application to the Designated Intermediaries, or to the Designated Branches of the SCSBs. An 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 6 (six) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

Payment mechanism for Direct Online Applicants

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange.

SUBMISSION OF COMPLETED APPLICATION FORMS

Mode of Submission of Application Forms	To whom the Application Form has to be submitted
Applications	<p>(i) <i>If using <u>physical Application Form</u>, (a) to the Designated Intermediaries at relevant Bidding Centres or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or</i></p> <p>(ii) <i>If using <u>electronic Application Form</u>, to the SCSBs, electronically through internet banking facility, if available.</i></p>

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.

No separate receipts will be issued for the Application Amount payable on submission of Application Form.

However, the Designated Intermediaries, will acknowledge the receipt of the Application Forms by stamping the date and returning to the Applicants an acknowledgement slips which will serve as a duplicate Application Form for the records of the Applicant. **Electronic Registration of Applications**

- (a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchange. The Lead Managers, 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 Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted and uploaded and/or not uploaded by the Trading Members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Lead Brokers, Trading Members, Registered Brokers, CDPs, RTAs and SCSBs who are authorised to collect Application Forms

In case of apparent data entry error by the Designated Intermediaries 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 Designated Intermediaries or Designated branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchange will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Issue Period. The Designated Intermediaries 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 Designated Intermediaries 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 Designated Intermediaries 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 “*Issue Structure*” on page 196 of this Draft Shelf Prospectus.
- (c) With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs 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
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount
- (d) With respect to Applications submitted to the Designated Intermediaries 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
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location
 - Application amount
- (e) A system generated acknowledgement 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 Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries 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.
- (f) Applications can be rejected on the technical grounds listed on page 228 of this Draft Shelf Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
- (g) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.
- (h) Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for

allocation/ Allotment. The Lead Managers, Designated Intermediaries 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, Designated Intermediaries 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 its 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) Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (ii) Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- (iii) Applications not being signed by the sole/joint Applicant(s);
- (iv) Investor Category in the Application Form not being ticked;
- (v) Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum application size;
- (vi) Applications where a registered address in India is not provided for the Applicant;
- (vii) In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);
- (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) Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- (xvii) 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);
- (xviii) Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- (xix) Date of birth for first/sole Applicant (in case of Category III and Category IV) not mentioned in the Application Form.
- (xx) Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant
- (xxi) Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;
- (xxii) Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the

- SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- (xxiii) 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) Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the 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) SCSB making an 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;
 - (xxvii) Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
 - (xxviii) Authorization to the SCSB for blocking funds in the ASBA Account not provided;
 - (xxix) Applications by persons prohibited from buying, selling or dealing in securities, directly or indirectly, by SEBI or any other regulatory authority;
 - (xxx) Applications by any person outside India;
 - (xxxi) Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
 - (xxxii) Applications not uploaded on the online platform of the Stock Exchange;
 - (xxxiii) Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
 - (xxxiv) Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Prospectus and as per the instructions in the Application Form, and this Draft Shelf Prospectus;
 - (xxxv) 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;
 - (xxxvi) 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;
 - (xxxvii) Applications providing an inoperative demat account number;
 - (xxxviii) Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
 - (xxxix) Category not ticked;
 - (xl) Forms not uploaded on the electronic software of the Stock Exchange; and/or
 - (xli) In case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.

Kindly note that Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit Applications.

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 page 230 of this Draft Shelf Prospectus.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

As specified in the relevant Tranche Prospectus.

Allocation Ratio

Reservations shall be made for each of the Portions as specified relevant Tranche Prospectus.

Retention of oversubscription

As specified in the relevant Tranche Prospectus

Information for Applicants

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.

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications

The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

Our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 6 (six) Working Days of the Issue Closing Date. The Allotment Advice for successful 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 the Stock Exchange where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to the Designated Intermediaries or the Designated Branch, as the case may be, through whom the Application had been placed. In case of Applications submitted to the Designated Intermediaries upon receipt of the request for withdrawal from the Applicant, the relevant Designated Intermediaries shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and intimating the Designated Branch of the SCSB to unblock of the funds blocked in the ASBA Account at the time of making the Application. In case of Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn Application Form from the electronic system of the Stock Exchange and unblocking of the funds in the ASBA Account directly.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Early Closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Closing Date of respective Tranche Prospectus, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size. Our Company shall allot NCDs with respect to the Applications

received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue Size the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 6 working days from the Issue Closing Date of respective Tranche Prospectus, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 15 (fifteen) days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, cancellation of one or more orders 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 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, by submitting a written request to the Designated Intermediaries/the Designated branch of 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 as per the procedures and requirements prescribed by the Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries and/or 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, the NCDs issued by us can be held in a dematerialized form.

In this context:

- (i) Agreement dated December 18, 2018 between us, the Registrar to the Issue and NSDL, and June 18, 2019 between us, the Registrar to the Issue and CDSL, 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 the Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange 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 the Stock Exchange shall be in dematerialized form only.

Please also refer to “*Instructions for filling up the Application Form*” on page 221 of this Draft Shelf Prospectus.

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 THE STOCK EXCHANGE 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 (except the Applications made through the Trading Members of the Stock Exchange) should be addressed to the Registrar to the Issue with a copy to the relevant SCSB, 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 Designated Intermediaries, or Designated Branch, as the case may be, where the Application was submitted and, 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 the Lead Managers, 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 or credit of NCDs in the respective beneficiary accounts, as the case may be.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment and demat credit beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

- (a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- (b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- (c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- (d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- (e) We shall utilize the Issue proceeds only upon allotment of the NCDs, execution of the Debenture Trust Deed as stated in this Draft Shelf Prospectus and on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange.
- (f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- (g) The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the

applicants at the rate of 15% per annum for the delayed period;

Other Undertakings by our Company

Our Company undertakes that:

- (a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
- (b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- (c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 6 Working Days of the Issue Closing Date;
- (d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
- (e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Current Statutory Auditor, to the Debenture Trustee at the end of each half year;
- (f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in this Draft Shelf Prospectus.
- (g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report and website.
- (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

		PRELIMINARY	
1.		The regulations contained in Table “F” of the First Schedule of the Companies Act, 2013 shall not apply to the Company except to the extent they are embodied in the following Articles which shall be the regulations for the management of the Company.	Table F not to apply
2.		The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.	Articles to be cotemporary in nature
3.		The marginal note hereto shall not affect the construction hereof. In these presents, the following words and expressions shall have the following meaning unless excluded by the subject or context. Term(s) and phrase(s) not specifically defined in these Articles shall bear the meaning as assigned to the same in the Act.	Interpretation
	a.	Means “The Companies Act, 2013” as may be applicable and its subsequent amendments or any other statutory modification or re-enactment thereof for the time being in force in India and where applicable shall include references to the previous Act.	Act or the Companies Act
	b.	Means the Act and as appropriate includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.	Applicable Law
	c.	Means the Board of Directors for the time being of the Company	Board or Board of Directors
	d.	Shall mean the person who acts as chairman/chairperson of the Board of the Company, even if such person holds the position of Managing Director or Chief Executive Officer of the Company.	Chairman/Chairperson
	e.	Shall mean the Depositories Act, 1996 and includes any statutory modification or enactment thereof.	Depositories Act

	f.	Means any committee of the Board of Directors of the Company formed as per the requirements of the Act or for any other purpose as the Board may deem fit.	Committee
	g.	Means <i>“FULLERTON INDIA CREDIT COMPANY LIMITED”</i> .	Company or This Company
	h.	Means the director for the time being of the Company, appointed as such.	Director
	i.	Includes any interim dividend	Dividend
	j.	Electronic Mode means as defined in the Act. Where the expression has been explained in the context of a particular provision, such explanation shall prevail for the purpose of corresponding regulations under these presents.	Electronic Mode
	k.	means a meeting of Members	General Meeting
	l.	Means a Director fulfilling the criteria of independence and duly appointed as per Applicable Law.	Independent Director
	m.	Means and include typewriting, printing, lithographing and includes Electronic Mode and any other mode of reproducing words in visible form.	In writing or Written
	n.	Means such persons as defined in Section 2 (51) of the Act.	Key Managerial Personnel
	o.	Member in relation to a company, means- (a) the subscribers to the Memorandum of Association of the Company who shall be deemed to have agreed to become members of the company, and on its registration, shall be entered as member in its register of members, (b) every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company; (c) every person holding shares in the company and whose name is entered in Register of Beneficial Owners as Beneficial Owner.	Members
	p.	Means a calendar month.	Month
	q.	Means and include the Capital which is paid up presently.	Paid up
	r.	Includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name.	Person
	s.	includes Attorney duly constituted under a Power-of-Attorney.	Proxy
	t.	Shall mean the register of members, including any foreign register which the Company may maintain pursuant to the Act and includes register of beneficial owners	The Register
	u.	Means the common seal of the Company, if any,	Seal

		approved by the Board of Directors from time to time.	
	v.	Means the Securities & Exchange Board of India.	SEBI
	w.	Means the relevant section of the Act; and shall, in case of any modification or reenactment of the Act shall be deemed to refer to any corresponding provision of the Act as so modified or reenacted.	Section
	x.	Means shares, debentures and/or such other securities as may be treated as securities under Applicable Law.	Securities
	y.	“These presents” or “Regulations” mean these Articles of Association as now formed or altered from time to time and shall include the Memorandum where the context so requires.	These “Presents” or “Regulations”
	z.	Words importing the singular shall include the plural and the words importing the plural shall include the singular.	Singular to include Plural or vice versa
	aa.	Words importing masculine gender includes the feminine gender and vice versa.	“Masculine” to include “Feminine”
	bb.	Term(s) and phrase(s), capitalised words not specifically defined in these Articles shall bear the same meaning as assigned to the same in the Act or rules issued thereunder.	

4.		The Authorized Share Capital of the Company shall be such sum as is stated in Clause V of the Memorandum of Association of the Company with power to increase or reduce or modify the Capital of the Company and to divide the Shares in the Capital for the time being into several classes as permissible in Applicable Law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board, and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be provided for by the Articles of Association of the Company and subject to applicable legislative provisions for the time being in force.	Capital
5.		Subject to Applicable Law, the Board may, from time to time, increase the Capital by the creation of new Shares. Such increase shall be of such aggregate amount and to be divided into such Shares of such respective amounts, as the resolution of the Board shall prescribe. Subject to the provisions of the Act, any Shares of the original or increased Capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the Board shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, or otherwise, or with a right to	Increase of Share Capital

		participate in some profits or assets of the Company, or with such differential or qualified right of voting at general meetings of the Company, as permitted in terms of Section 47 of the Act or other Applicable Law. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act or any such compliance as may be required by the Act for the time being in force.	
6.		Except in so far as otherwise provided in the conditions of issue of Shares, any Capital raised by the creation of new Shares shall be considered as part of the existing Capital, and shall be subject to provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.	New Capital part of the existing Capital
7.		The Board shall be entitled to issue, from time to time, subject to Applicable Law, any other Securities, including Securities convertible into Shares, exchangeable into Shares, or carrying a warrant, with or without any attached Securities, carrying such terms as to coupon, returns, repayment, servicing, as may be decided by the terms of such issue. Such Securities may be issued at premium or discount, and redeemed at premium or discount, as may be determined by the terms of the issuance: Provided that the Company shall not issue any Shares or Securities convertible into Shares at a discount.	Provisions applicable to any other Securities
8.	a.	Subject to provisions of Section 55 of the Act and other Applicable Law, the Company shall have power to Issue Redeemable Preference Shares which may be, at the option of the Company, liable to be redeemed at such periods of time not exceeding 20 years and the Directors may exercise such power on such terms including right to redeem at a premium and in such manner as they may think fit.	Issue and redemption of Preference Shares
	b.	The Board of Directors of the Company, subject to provisions of Section 55 of the Act, shall have the power to issue Redeemable Preference shares which maybe, at the option of the Company, liable to be redeemed at such periods of time as may be prescribed under the applicable provisions of law and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.	
	c.	On the issue of Redeemable Preference Shares the following provisions shall take effect:	
9.		<ul style="list-style-type: none"> i. No such shares shall be redeemable except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption; ii. No such shares shall be redeemed unless they are fully paid; iii. The premium, if any, payable on redemption shall have been provided for out of the profits 	

		<p>of the Company or out of the Company's share premium account before the shares are redeemed;</p> <p>iv. Such shares shall be redeemed only on the terms on which they were issued or as varied after due approval of preference shareholders under Section 48 of the Act. Register of Members maintained under Section 88 shall contain the particulars in respect of such preference shareholder(s).</p> <p>v. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for Dividend be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Fund were Paid-up share capital of the Company.</p>	
10.		<p>Special rights shall be attached to all or any or some of the classes of the Redeemable Preference Shares aforesaid as may be determined by the Board of Directors and confirmed by that particular class which is bestowed with these rights either by way of Special Resolution of the Members of that class or by a separate agreement entered into by the Board on behalf of the Company with that particular class. However, these rights shall not prejudice, directly or indirectly, the existing rights of the other classes of preference shares. Each such class or classes may be identified distinctly as the Board may deem fit by separate nomenclature(s).</p>	Special rights attached to class of preference shareholders
11.		<p>The Company subject to the provisions of Section 54 of the Act, applicable SEBI Regulations and the approval of the shareholders by means of a Special Resolution passed in the general meeting may issue equity shares to the employees or directors at a discount or for consideration other than cash for providing know how or making available rights in the nature of intellectual property rights or value additions.</p>	Issue of Sweat Equity Shares
12.		<p>Subject to the provisions of Section 62 of the Act and the Applicable Law, the Company may issue options to the any Directors, not being Independent Directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such Directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees Share purchase or both. Provided that it will be lawful for such scheme to require an employee, officer, or Director, upon leaving the Company, to transfer securities acquired in pursuance of such an option, to a trust or other body established for the benefit of employees.</p>	Employees Stock Options

13.		Subject to provisions of Section 62 of the Act and these Articles, the shares in the capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions as they may from time to time think fit and proper and with the sanction of the Company in general meeting by a special Resolution give to any person the option to call for or to allot shares of any class of the Company either at par, at a premium and at such times as the Board thinks fit, unless the Company in general meeting by a Special Resolution otherwise decides. Any offer of further shares shall be deemed to include a right, exercisable by the person to whom the shares are offered, to renounce the shares offered to him in favour of any other person.	Shares under the control of the directors
14.		The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the un-issued part of the share capital in the original or subsequently created capital but subject to Section 62 of the Act, applicable SEBI Regulations, if any, and subject to the following conditions namely:	Further issue of capital
	I	<ul style="list-style-type: none"> a. Such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date. b. The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days, from the date of the offer within which the offer, if not accepted will be deemed to have been declined. c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce, the shares offered to him or any of them, in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right. d. After the expiry of the time specified in the Notice aforesaid or in respect of earlier intimation from the person to whom such notice is given, that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company. 	
	II	<p>Notwithstanding anything contained in the Article 10.I above, the further shares aforesaid may be offered in any manner whatsoever, to:</p> <p>Employees under a scheme of employees' stock option scheme</p> <ul style="list-style-type: none"> a. to any persons on private placement or on preferential basis, whether or not those persons include the persons 	

		<p>referred above, either for cash or for consideration other than cash, if so decided by a Special Resolution, as per Applicable Law.</p> <p>Nothing in Article 10 (II) (b) hereof shall be deemed to extend the time within which the offer should be accepted or to authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation</p>	
	III	<p>Nothing in this article shall apply to increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company</p> <p>Provided that the terms of issue of such debentures or the terms of such loans containing such an option have been approved by a special resolution passed by the Company in general meeting before the issue of debentures or the raising of loan.</p>	
15.	1	<p>The preference shares shall confer on the holders thereof the right to a fixed preferential dividend at such rate per annum as would be fixed by the Board of Directors of the Company at the time of each series of Preference Shares Issue, which however shall not be more than the maximum rate, if any, announced by the Central Government from time to time, subject to deduction of tax at source at the prescribed rates on the Capital paid-up thereon, and in the event of winding up, the right to repayment of the capital and arrears of dividend whether earned, declared or not, up to the commencement of the winding up in priority to the Equity Shareholders.</p>	
	2	<p>The preference shares shall definitely be redeemed at the expiry of 20 years from the date of allotment provided, however, the Company shall have the option to redeem the same earlier but not earlier than 15 years from the date of allotment, on six months' notice. However, the Board of Directors of the company is empowered to make issue of preference shares either on right basis or by private placement or by public issue with the maximum and minimum redemption period respectively of less than 20 years and 15 years, depending upon the market conditions and other considerations, provided the same is clearly and specifically brought out so in the relevant offer document.</p>	
	3	<p>The Company is not to create and / or issue preference shares in future, ranking in priority to the Preference Shares already issued and further in the event of its creating and / or issuing Preference Shares in future, ranking pari-passu with the Preference Shares already issued, it would do so, only with the consent in writing of the holders of not less than three fourths of the Preference Shares then outstanding, or with the sanction of a special resolution passed at a separate meeting of the</p>	

		holders of the Preference Shares.	
	4	Voting rights of Preference shareholders are in accordance with section 47 of the Act.	
16.		The Board may, if so thought fit, issue and allot shares of any kind for any valid consideration otherwise than cash or allot shares partly for cash and partly for valid consideration otherwise than cash.	Allotment of shares for Consideration other than cash
17.	i	The rights attached to each class of shares (unless otherwise provided by the terms of the shares of that class) may, subject to the provisions of Section 48 of the Act, be carried with the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.	Variation of rights
	ii	To every such separate general meeting the provisions of these articles relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one tenth of the issued shares of the class in question.	
18.		The rights conferred upon the holders of any class issued with preferred or other rights shall not, unless otherwise expressly provided for by the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari-passu therewith.	Issue of further shares shall not affect rights of shares already issued
19.		The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise, which are disproportionate to the rights attached to the holders of equity shares.	Not to issue shares with disproportionate rights
20.		The Company, subject to the provisions of Sections 68,69 and 70 of the Act and Applicable Law as prescribed by Securities and Exchange Board of India (SEBI) or any other authority for the time being in force, may purchase its own shares or other specified securities out of the free reserves or the securities premium account or the proceeds of any shares or other specified securities. The power conferred herein may be exercised by the Board, at any time and from time to time, where and to the extent permitted by Applicable Law, and shall be subject to such rules, applicable consent or approval as required.	Buy Back of Securities
21.		Subject to the provisions of Section 72 of the Act: 1. Every holder of shares, in, or holder of debentures of, a Company may, at any time, nominate, in the manner prescribed under the Act, a person to whom the shares in, or debentures of, the Company shall vest in the event of his death. 2. Where the shares in, or debentures of the Company are held by more than one person	Nomination of Shares

		<p>jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the company shall vest in the event of death of all the joint holders.</p> <p>3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in, or debentures of, the company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or debentures of, the company, the nominee shall, on the death of the shareholder or holder of the debentures of, the company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the shares or the debentures of the Company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.</p> <p>4. Where the nominee is a minor, it shall be lawful for the shareholder or the holder of debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in, or debentures of, the company, in the event of his death, during the minority.</p>	
22.	a.	The Company may, subject to the provisions of Section 40(6) of the Act and other Applicable Law and subject to the applicable SEBI guidelines and subject to the terms of issue of the shares or Debentures or any securities, as defined in the Securities Contract (Regulations) Act, 1956 at any time pay a commission in such manner and at such rate not exceeding as specified under the Applicable Law.	Power to pay Commission
	b.	The commission may be paid in cash or by the allotment of fully paid up or partly paid up shares or other debentures or partly in one way and partly in other way or ways. The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage to any person for subscribing or procuring subscription for any Securities, at such rate as sanctioned by the Managing Director.	
23.		The joint holders of shares shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share or shares for all incidents thereof according to the Company's regulations.	Liability of Joint Holders of shares
24.		If any Share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any earlier matter connected with the Company,	The first named joint holder deemed to be sole holder

		except voting at meetings, be deemed the sole holder thereof and not more than four persons shall be registered as joint holders of any shares.	
25.		Except as required by law, the Company shall be entitled to treat the registered holder of any shares as the absolute owner thereof and accordingly the Company shall not, except pursuant to any order of a court of competent jurisdiction or except due to any statutory requirements, be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest, lien, pledge or charge in any share, or any interest in any fractional part of a Share, or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	Shares not to be held in trust.
26.		An application signed by or on behalf of the applicant, for shares in the Company, followed by an allotment of any shares therein shall be the acceptance of the shares within the meaning of these Articles and every person who, does or otherwise accepts any shares and whose name is on the Register of Shareholders shall, for the purpose of these Articles, be a member.	Acceptance of shares
27.		The Company may(subject to the Provisions of Section 52, 55, 66, of the Act or any other applicable provisions of law for the time being in force), by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, its Share Capital, any Capital Redemption Reserve Account or Share premium account and/or any other reserve in the nature of the share capital in any manner for the time being authorised by law and so far as may be necessary alter its Memorandum and Articles of Association	Reduction of capital etc. by Company
28.		The directors may accept the surrender of any shares by way of compromise of any question as to the holder being properly registered in respect thereof, subject to the provisions of Section 66 and 67 of the Act.	Surrender of shares
29.		The rights and privileges attached to each class may be modified, commuted, affected, abrogated in the manner provided in the Act and/or Applicable Law.	Power to modify shares
30.		Subject to provisions of Section 61 of the Act, the Company in general meeting may from time to time alter the conditions of the Memorandum of Association as follows: <ul style="list-style-type: none"> a. Increase its share capital by such amount as it thinks expedient by issuing new shares. b. Consolidate and divide all or any of its share capital into shares of larger amount 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 shares or any of them into shares of 	Alteration, consideration of capital

		<p>smaller amount than is fixed by the Memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived.</p> <p>e. Cancel shares which at the date of passing of the resolution in that behalf have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.</p>	
31.		Subject to provisions of Section 61, the Company may, by ordinary resolution, convert all or any fully paid shares of any denomination into stock and vice versa.	Conversion of Shares
32.		<p>The holders of stock may transfer the same or part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near there-to as circumstances admit.</p> <p>Provided that the Board may, from time to time fix the minimum amount of stock transferable so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p>	Transfer of Stock
33.		The holders of the stock shall according to the amount of the stock held by them have the same right, privileges and advantages as regards dividends, voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Rights of Stock holders
34.		Such of the regulations contained in these presents other than those relating to share warrants as are applicable to paid up shares shall apply to stock and the words "share" and "shareholder" in these presents shall include "stock" and "stock holder" respectively.	Applicability of regulation to stock and stock holders
35.		<p>1. The Board may from time to time, subject to the provisions of these Articles, Section 73 to 76, 179, 180 of the Act or Applicable Law, borrow moneys for the purpose of the Company; provided that moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business of the Company) shall not, without the requisite sanction of the Company in general meeting, exceed the aggregate of the paid up capital and its free reserves, that is to say, reserves not set apart for any specific purpose.</p> <p>2. The Board may from time to time at its discretion, by a resolution passed at a meeting of the Board issue Debentures or debenture stock or other securities and generally raise or borrow or secure the payment of any</p>	Borrowing Powers

		<p>sum or sums of money for the purpose of the Company.</p> <p>3. Any debenture, debenture stock or other securities may be issued at a discount, subject to provisions of Section 53 of Act and Applicable Law, premium or otherwise and may be issued for such periods and/or at such rate of interest as the Board may think fit subject to applicable provisions existing at the time of issue, and with or without conversion and/or on such terms and conditions and with such privileges, rights and conditions as to redemption, surrender, drawals, attending to meetings, allotment, appointment of Directors and otherwise. Debenture with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the general meeting.</p> <p>4. The payment or repayment of 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 a resolution passed at a meeting of the Board, the issue of debentures or debenture stock of the company, may be 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 debenture, debenture stock and other securities may be assignable free from any equities between the company and the person to whom the same maybe issued.</p> <p>5. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall, if at any time it issues debentures, keep a register and index of debenture holders in accordance with Section 88 of the Act.</p>	
36.		Every resolution passed by the Company in a general meeting in relation to the exercise of power to borrow as stated in these Articles shall specify the total amount up to which moneys may be borrowed by the Board of Directors.	Conditions on Borrowings
37.		Subject to the provisions of Section 179 of the Act, the Board, may, from time to time, at its discretion by a resolution, delegate the power to borrow moneys otherwise than by issue of debentures to a committee of Directors and other principal officers of the Company and where there is a Managing Director he shall be the Chairman of such a committee or to the Managing Director. Any resolution of the Board purporting to delegate the powers to borrow to a committee as aforesaid shall specify the total limit up to which such a committee could borrow.	
38.		If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, by instrument under the Company's seal, authorize the person in whose favour such mortgage or security is executed or any other person in trust for him, to make	

		calls on the members in respect of such uncalled capital and the provisions herein before contained in regard to calls, shall, mutatis mutandis, apply to calls made under such authority and such authority may be made exercisable either conditionally or absolutely or contingently and either to the exclusion of the Directors' power or otherwise and, shall be assignable if expressed so to be.	
39.		If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other person so becoming liable as aforesaid from any loss in respect of such liability.	
40.	a.	Every person whose name is entered as a member in the Register of Members shall be entitled to receive without payment one certificate for all his shares or as many certificates as would be required to be issued to him in marketable lots.	Members' right to share certificate
	b.	Where share certificates are issued for either more or less than marketable lots, subdivision/consolidation into marketable lots shall be done free of cost.	
	c.	The Company shall not be bound to accept any request for sub-division/consolidation of shares into lots other than marketable lots.	
	d.	The Company shall complete and deliver certificates for all the shares and debentures so allotted or transferred in accordance with Section 56 of Act and Applicable Law.	
41.		In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share and the delivery of a certificate for the share or shares to one of several joint holders shall be sufficient delivery to all such holders.	One certificate
42.		<p>If any certificate be worn out, defaced, mutilated, old/ or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation then upon production and surrender such certificate to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced as the Board deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate.</p> <p>Further, no duplicate certificate shall be issued in lieu of those that are lost or destroyed, without the prior consent of the Board or any of its committee constituted for the purpose and only on furnishing of such supporting evidence and/or indemnity as the Board may require, and</p>	Issue of new certificate in place of one defaced, lost or destroyed

		<p>the payment of out-of-pocket expenses incurred by the Company in investigating the evidence produced without payment of fees if the Directors so decide, or on payment of such maximum charge prescribed under Applicable Law from time to time for each certificate as the Directors shall prescribe.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf;</p> <p>Provided further that the Company shall comply with the provisions of Section 46 of the Act and other Applicable Law, in respect of issue of duplicate shares.</p>	
43.		Every certificate under the Article 17 shall be issued in case of splitting or consolidation of Share certificate(s) or in replacement of Share certificate(s) that are defaced, mutilated, torn or old, decrepit or worn out or duplicate share certificate without payment of any fees.	Fees
44.		Where any shares are sold by the Directors under the powers in that behalf herein contained and the certificates therefore has not been delivered to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit for the certificates not delivered.	Directors may issue new certificates
45.		If, by the conditions of allotment of any share, the whole of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being is registered holder of that share or his legal representatives, if any.	Person by whom installments are payable
		DEMATERIALIZATION OF SECURITIES	
46.		Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize/rematerialize securities and to offer securities in the dematerialized form pursuant to the Depositories Act, 1996 or anyother Applicable Law.	Dematerialization/ Rematerialisation of Securities
47.		All securities held by a Depository shall be dematerialized and shall be in fungible form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Sections 89 and 186 of the Act shall apply to a Depository in respect of the securities held by and on behalf of the Beneficial Owners.	Securities in fungible form
48.		Nothing contained in the Act or these Articles, regarding the necessity of having Distinctive Numbers/Certificate Numbers shall apply to securities held in a Depository.	Numbering of Securities
49.		Notwithstanding anything contained in the Act or these Articles where the Securities are held in a Depository,	Service of documents

		the records of the beneficial ownership may be served by such Depository on the company, by means of Electronic Mode and/or by delivery of floppies or disks.	
50.		Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities affected by a transferor and transferee both of who are entered as beneficial owners in the records of a Depository and the same shall be governed by the Depositories Act in force, as amended from time to time	Transfer of Securities
51.		Where the securities are dealt with in a Depository, the company shall intimate the details of allotment or relevant securities to the Depository on allotment of such securities.	Allotment of Securities
52.		The Register and Index of beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be a Register and Index of Members and other security holders.	Register and Index of Beneficial Owners
53.		Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the beneficial owner and shall not have any voting rights or any other rights in respect of the securities held by it. Every person holding Securities of the Company and whose name is entered as the beneficial owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.	Rights of Depository and Beneficial Owners
54.		Option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the beneficial owner the required certificates for the Securities. If a person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the securities	Option for investors
		BONAFIDE EXERCISE OF MEMBERSHIP RIGHTS	
55.		Every Member and other Security holder will use rights of such Member/ security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the	

		proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes	
56.		<p>The Board may, from time to time and subject to the terms on which shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, or otherwise as permitted by Applicable Law, make such call as it thinks fit upon the members in respect of all monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium)</p> <p>Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p>	Calls
57.	a.	Each member shall, subject to receiving at least 14 (fourteen) days' notice, specifying the time or times and place of payment, pay to the Company, at the time or times and the place so specified the amount called on his shares.	Terms of call on shares
	b.	A call may be revoked or postponed at the discretion of the Board.	
	c.	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.	
	d.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
58.		If any calls for further shares are made on shares, such calls shall be on a uniform basis on all shares falling under the same class. For this purpose shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.	Calls on shares of same class are to be made on uniform basis
59.	a.	If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at 12% per annum or at such lower rate, if any, as the Board of Directors may determine. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member.	Calls to carry interest
	b.	The Board shall be at liberty to reduce the interest rate or otherwise waive payment of interest wholly or in part.	
60.		Any sum, which may by the terms of issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall for the purposes of these	Sums deemed to be calls

		Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.	
61.		<p>The Board, may if it thinks fit, and subject to the provisions of Section 50 of the Act, agree to receive from any member willing</p> <p>to advance the same, whole or any part of the money due upon the share held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company may in general meeting shall otherwise direct, 15% per annum, as the member paying such sum in advance and the Board agree upon. Money so paid in advance of calls shall not confer any right to participate in profits or Dividend. The Board may, at any time repay the amount so advanced upon giving to such member not less than 3 months' notice in writing. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until such amount has been called up.</p> <p>The provisions of these Articles shall mutatis mutandis apply to all calls on debentures or other securities of the Company.</p>	Payment in anticipation of call may carry interest
		SET OFF OF MONEYS DUE TO SHAREHOLDERS	
62.		Any money due from the Company to a shareholder, may without the consent of shareholder be applied by the Company in or towards payment of any money due from him, either alone or jointly with any other person to the Company, in respect of calls or otherwise.	Company's right of appropriation
		FORFEITURE OF SHARES	
63.		If a member fails to pay any call, or installment of a call, on the day appointed for the payment thereof, the Board of Directors may, at any time thereafter during such time as the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest, which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.	If call or installment not paid notice may be given
64.		<p>The notice aforesaid shall:-</p> <p>a. Name a further day (not being earlier than the expiry of 14 days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</p>	Form of notice

		b. Shall detail the amount which is due and payable on the shares and shall state that, in the event of non-payment on or before the appointed day, the shares in respect of which the call was made will be liable to be forfeited.	
65.		If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.	If notice not complied with shares may be forfeited
66.		Where any shares shall have been forfeited, notice of the forfeiture shall be given to the Members in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make such entry as aforesaid.	Notice of forfeiture to a Member
67.		Any share so forfeited / surrendered shall be deemed to be the property of the Company, and may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, cancel the forfeiture thereof upon such conditions as the Board may think fit.	Forfeited shares to become property of the Company
68.		A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding such forfeiture, remain liable to pay and shall forthwith pay to the Company, all monies which, at the date of forfeiture is payable by him to the Company in respect of the share, whether such claim be barred by limitation on the date of the forfeiture or not, but his liability shall cease if and when the Company shall have received payment in full of all such monies due in respect of the shares.	Liability on forfeiture
69.		The provisions of these regulations as to forfeiture shall apply in case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Non-payment of sums payable at fixed time
70.		Upon any sale after forfeiture or for enforcing a lien is purported in exercise of the powers herein before given,, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto as per the provisions herein. The Directors may cause the transferee's name to be entered in the register of	Validity of such sales

		Members. The transferee shall not be bound to see the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares the validity of the forfeiture, sale or disposal shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the company exclusively.	
71.		The Company shall have a first and paramount lien upon all the shares/Debentures (other than fully paid – up shares/Debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/Debentures and no equitable interest in any shares shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/Debentures. Unless otherwise agreed the registration of a transfer of shares/Debentures shall operate as waiver of the Company’s lien if any, on such shares / debentures. The Directors may at any time declare any shares/Debentures wholly or in part to be exempt from the provisions of this Article.	Company to have lien on shares
72.		For the purpose of enforcing such lien, the Board of Directors may sell the shares, subject thereto, in such manner as it thinks fit, but no sale shall be made until the expiration of 14 days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the holder of the shares for the time being or to the person entitled to the shares, by reason of the death or insolvency of the registered holder.	As to enforcing lien by sale
73.		To give effect to such sale, the Board of Directors may cause to be issued a duplicate certificate in respect of such shares and may authorize any person to execute a transfer thereof on behalf of and in the name of such member. The Purchaser of such transferred shares shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.	Authority to Board
74.		The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the persons entitled to the shares at the date of the sale.	Application of proceeds of sale
		TRANSFER AND TRANSMISSION OF SHARES	
75.	a.	The instrument of transfer shall be in common form and in writing and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be	Transfer

		duly complied with in respect of all transfer of shares and registration thereof. The instrument of transfer of any share shall be executed by or on behalf of both transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of Members in respect thereof.	
	b.	<p>The Board shall not register any transfer of shares unless a proper instrument of transfer duly stamped and executed by the transferor and by the transferee, has been delivered to the Company along with the certificates and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.</p> <p>Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may if the Board thinks fit, on application in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to the indemnity as the Board may think fit.</p>	
	c.	An application for the registration of the transfer of any share or shares may be made either by the transferor or the transferee, provided that where such application is made by the transferor, no registration shall, in the case of partly paid shares, be effected unless the Company gives notice of the application to the transferee subject to provisions of these Articles and Section 56 of the Act and/ or Applicable Law, the Company shall, unless objection is made, by the transferee within two weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.	
	d.	For the purpose of sub-clause (c) notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post.	
	e.	Nothing in sub-clause (c) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.	
	f.	Nothing in this Article shall prejudice any power of the Board to refuse to register the transfer of any shares to a transferee whether a member or not.	
	g.	The registration of a transfer shall not be refused on the ground, if the transferor being either alone or jointly with any other person(s) indebted to the Company on any account whatsoever except a lien on the shares.	
76.		The instrument of transfer shall be in common form and in writing and all provision of Section 56 of the Act and	Form of Transfer

		statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.	
77.	a.	<p>Subject to the provisions of Section 56 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse, in the interest of the Company or in pursuance of power under any Applicable Law, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Board, may subject to the right of appeal conferred by Section 58 of the Act and other Applicable Law, decline to register:</p> <p>(i) The transfer of any share, not being a fully paid share, to a person of whom they do not approve; or</p> <p>(ii) Any transfer or transmission of share on which the Company has a lien.</p>	Board's power to refuse transfer of shares
	b.	If the Board refuses to register any transfer or transmission of shares, they shall, within one month from the date on which the instrument of transfer or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal.	
	c.	In the case of such refusal by the Board, the decision of the Board shall be subject to the right of the appeal conferred by Section 58	
	d.	The provisions of this clause shall apply to transfer of stock also.	
78.		No fee shall be charged by the Company for registration of transfers or for effecting transmission of shares on the death of any member or for registering any letters of probate, letters of administration and similar other documents.	No fee on transfer or transmission
79.	1.	On the death of a member, the survivor or survivors where the member was a joint holder, and his legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.	Rights and liabilities of a person to whom the shares are transferred or transmitted
	2.	Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	
	3.	Provided further that if the deceased share holder was a member of Hindu Joint Family, the Board on being satisfied to that effect and on being satisfied that the shares standing in his name is in fact belonged to the Joint family, may recognize the survivors or the Karta thereof as having title to the shares registered in the	

		<p>name of such members.</p> <p>Provided further that in any case it shall be lawful for the Board in its absolute discretion to dispense with the production of other legal representation upon such evidence and such terms as to indemnity or otherwise as the Board may deem just.</p>	
	4.	<p>Any person who is entitled to the shares or debentures in the Company by reason of the death, lunacy, bankruptcy or insolvency of the holder either as a nominee by virtue of the provisions of Section 72 or as the legal representative of the sole holder, may elect either:</p> <ol style="list-style-type: none"> a. To be registered himself as the holder of the share or debenture, as the case may be; or b. To make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made. 	
	5.	<p>If the person so entitled as mentioned in the above clause, so becoming entitled, elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder, and the certificate(s) of shares or debentures, as the case may be, held by the deceased in the Company.</p>	
	6.	<p>All the limitations, restrictions and provisions of this Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were signed by that shareholder or debenture holder, as the case may be.</p>	
	7.	<p>The person so entitled as mentioned in the above clause, becoming so entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before being registered a member in respect of his share or debenture, be entitled, in respect of it, to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided that the Board may at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may there after withhold payment of all dividends, bonuses or other moneys payable in respect of the share or debenture, until the requirements of the notice have been complied with.</p>	
80.		<p>The instruments of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the</p>	Custody at transfer

		Company for a period of ten years or more. However, any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.	
81.		The Board shall have power to give at least seven days' previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated, in accordance with Section 91 of the Act and Applicable Law, to close the transfer books, the register of Members, register of debenture holders or the register of other security holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.	Transfer books when closed
		GENERAL MEETING	
82.		Subject to the provisions of the Act and subject to the powers of the Company in general meetings, the decision of the Board of Directors shall be final in respect of such of those matters relating to the administration as are not set out in these presents in respect of issue of shares, share certificates, Company's lien on shares, calls on shares forfeited, on shares for transfer and transmission, conversion of shares into stock and share warrants.	Power of the Board
83.		The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year in accordance with the provisions of Section 96 of the Act.	Annual General Meeting
84.		Extraordinary General Meeting may be held either at the registered office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit. Managing Director may whenever he thinks fit and shall if so directed by the Board convene an Extraordinary General Meeting at such time and place as the Board may direct and subject to such direction, if any, as the Managing Director may deem fit.	Extraordinary General Meeting
85.		(a) The Board shall on the requisition of number of members of the Company as is specified below proceed duly to call an extraordinary general meeting of the Company and comply with the provision of the Act in regard to meetings on requisition. (b) The requisition shall set out the matters for consideration of which the meeting is to be called. It shall be signed by the requisitionist and shall be deposited at the registered of the Company. (c) The requisition may consist of several documents in like forms each signed by one or more requisitionists. (d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold on the date of receipt of the requisition, not	Extraordinary General Meeting by requisition

		<p>less than 1/10th of such of the paid-up capital of the Company as at the date carries the right of voting in regard to the matter set out in the requisition.</p> <p>(e) If the Board does not, within 21 days from the date of deposit of a valid requisition, proceed to call a meeting for the consideration of those matters on a date not later than 45 days from the date of receipt of such requisition, the meeting may be called by the requisitionists themselves or of such of the requisitionists within a period of 3 months from the date of the requisition, as represent either majority in value of the paid-up share capital held by all of them or not less than 1/10th of such of the paid-up share capital of the Company as at the date of receipt of the requisition.</p>	
86.		<p>a. All general meetings including annual general meeting shall be called by giving not less than 21 days' notice in writing specifying the day, date, place and hour of meeting, containing a statement of the business to be transacted thereat, shall be given, either in writing or through Electronic Mode, to every member or legal representative of any deceased member or the assignee of an insolvent member, every auditor(s) and Director of the Company.</p> <p>b. A general meeting may be called after giving shorter notice than that specified above, if consent is accorded thereto in writing or by electronic mode by not less than ninety- five percent of the voting capital at such meeting.</p> <p>c. Where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on others, those members shall be taken into account for the above purpose only in respect of the resolutions in respect of which they have voting rights.</p>	Length of notice for meeting
87.		The accidental omission to give notice of any meeting to or non-receipt of any such notice by any of the members shall not invalidate the proceedings or any resolution passed at such meetings.	Accidental omission to give notice not to invalidate meetings
88.		<p>a. Where the Company conducts general meetings by way of e-voting, the Company shall follow the procedure laid down under the Act and Applicable Law.</p> <p>b. Where Member has been allowed the option of voting through Electronic Mode as per Applicable Law, such Member, or Members generally, shall be allowed to speak at a Meeting, but shall not be allowed to vote at the meeting. Provided that the voting may also be allowed to be cast by way of post or any other mode which any Applicable Law may allow</p> <p>c. Where there is voting at general meeting in addition to E-voting, the person chairing the general meeting may require a poll to be conducted. The Chairperson shall declare the results obtained through electronic mode at the meeting, and the result of the poll, at the meeting.</p>	E-votings in case of General Meetings

89.		The quorum for a general meeting shall be as provided under Section 103 of the Act.	Quorum
90.		If at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved; but in any other case, it shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place or to such other day and such other time as the Board may determine and if at such adjourned meeting the quorum is not present at the expiration of half an hour from the time appointed for the meeting, the members present shall form the quorum.	If quorum not present when meeting to be dissolved and when to be adjourned
91.		The Chairman, if any, of the Board of Directors shall preside as Chairman at every general meeting of the Company.	Chairman of General Meeting
92.		In the event of equality of votes, whether on show of hands or electronically or on a poll, the Chairman of the Meeting shall have a second or casting vote. Where the Chairman has entrusted the conduct of proceedings in respect of an item in which he is interested to any Dis-interested Director or to a Member, a person who so takes the chair shall have a second or casting vote.	
93.		If a poll is duly demanded in accordance with the provisions of Section 109, it shall be taken in such manner as the Chairman, subject to the applicable provisions of the Act, may direct, and the results of the poll shall be deemed to be the decision of the Meeting on the resolutions on which the poll was taken.	Taking of poll
94.		Every member of the Company holding equity share capital shall have a right to vote in respect of such capital on every resolution placed before the Company. Subject to any any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every such member present shall have one vote in person or by proxy and his voting right on a poll shall be in proportion to his share of the paid up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.	Voting rights
95.		If there be joint registered holders of any shares, any one of such persons may vote at any meeting either personally or by proxy in respect of such shares, as if he were solely entitled thereto, and, if more than one of such joint-holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands first on the Register shall alone be entitled to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name shares stand shall for the purpose of these Articles be	Joint holders

		deemed joint-holders thereof.	
96.		No member shall be entitled to vote either personally or by proxy, at general meeting or meeting of a class of shareholders in respect of any shares registered in his name on which any calls, or other sum presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.	No member entitled to vote while call is due to the Company
97.		Provisions of these Articles and except where Applicable Law provides otherwise, on a poll, votes may be given either personally or by proxy; provided that no Company shall vote by proxy as long as resolution of the Directors in accordance with the provisions of Section 113 of the Act, is in force.	Proxies permitted on poll
98.		<p>a) The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing or if the appointer is Body Corporate, either under the Common Seal or under the hand of an officer or attorney so authorised. Any person may act as proxy whether he is a member or not. An instrument appointing a proxy shall be in the form as prescribed in terms of Section 105 of the Act.</p> <p>b) A Body corporate (whether a Company within the meaning of this Act or not) may if authorized by resolution as aforesaid shall be entitled to exercise the same right and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body corporate could exercise as if he were an individual member, creditor to holder of debentures of the Company.</p>	
99.		The instrument appointing a proxy and the power of attorney or other authority, if any, under which is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company or at such other address as the notice of the meeting may specify for this purpose not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll not less than twenty four hours before the time appointed be treated as valid.No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.	Instrument of proxy to be deposited at the office
100.		A vote given be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in the respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.	Validity of vote of proxy
101.		a. Where permitted/required by Applicable Law, all records to be maintained by the Company may be kept in electronic form subject to the provisions of the Act and	Use of contemporaneous methods of communication

		<p>the conditions as laid down in the Applicable Law. Such records shall be kept open to inspection in the manner as permitted by the Act and Applicable Law. The term 'records' would mean any register, index, agreement, memorandum, minutes or any other document required by the Act and Applicable Law made there under to be kept by the Company.</p> <p>b. The Company shall cause minutes of all proceedings of every general meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.</p> <p>c. Any such minutes shall be evidence of the proceedings recorded therein.</p> <p>d. The book containing the minutes of proceedings of general meetings shall be kept at the registered office of the Company and shall be open during business hours, for such periods not being less than 2 hours on any day, as may be fixed by the company secretary from time to time, to the any members/ class of members/ Debenture holders, seek their assent by Postal ballot, including e-voting. Such Postal ballot will comply with the provisions of Applicable Law in this behalf.</p> <p>The intent of these Articles is that in respect of seeking the sense of the members or members of a class or any Security holders, the Company shall, determine the consent of members or a class of members or any holders of securities using such contemporaneous methods of communication as is permitted by Applicable Law. A written resolution including consent obtained through Electronic Mode shall be deemed to be sanction provided by the member, member of a class or other Security holder by way of personal presence in a meeting.</p>	
102.		A written resolution from Members including consent obtained through Electronic Mode shall be deemed to be sanction provided by the member, member of a class or other Security holder by way of personal presence in a meeting.	Written resolution by Members to be deemed as passed at general meeting
		BOARD OF DIRECTORS	
103.		<p>a. Until otherwise determined by general meeting, the number of Directors shall be not less than 3 and not more than 15 including any ex-officio directors. However, the Company may appoint more than 15 Directors after passing a special resolution.</p> <p>b. The Directors need not hold any Qualification shares.</p> <p>c. Composition of the Board shall be in accordance with the provisions of Section 149 of the Act and other Applicable Laws. Provided that where there are temporary gaps in meeting the requirements of Applicable Law pertaining to composition of Board of Directors, the remaining Directors shall (a) be entitled to transaction business for the purpose of attaining the</p>	

		<p>required composition of the Board; and (b) be entitled to carry out such business as may be required in the best interest of the Company in the meantime.</p> <p>Subject to the provisions of the Act, a Director shall act in accordance with the articles of the Company.</p>	
104.		<p>The first directors shall be:</p> <ol style="list-style-type: none"> 1. V. ANANTHARAMAN 2. Dr. S. JAGATHRAKSHAGAN 3. VIJAYVASUDEVAN 4. G. THIAGARAJAN 5. SRINIVASAN.K. SWAMY 	
105.		<ol style="list-style-type: none"> a. Subject to provisions of Applicable Law, a Director may resign from his office upon giving notice in writing to the Company of his intention to do so. The fact of such resignation shall be mentioned in the report of Directors laid in the immediately following general meeting by the Company. b. A managing Director or a whole-time Director or any executive Director who has any terms of employment with the Company shall not give any notice of resignation in breach of the conditions of employment as may be applicable, either to a Director specifically, or to employees of the Company generally. A nominee Director shall not give any notice of resignation except through the nominating person c. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later: <p>Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.</p>	Resignation of Directors
106.		<p>a) The Directors for the time being of the Company shall each be entitled to be paid a sitting fee subject to limits prescribed under the Act and Applicable Law for every meeting of the Board or of any committee of the Board attended by them. Fee shall also be paid for attending any separate meeting of the Independent Directors of the Company in pursuance of any provision of the Act. Fee shall also be payable for participating in meetings through permissible Electronic Mode. The Company may allow and pay to the director who for the time being is residing away from the place at which any meeting of the directors may be held and who shall come to that place for the purpose of attending that meeting such sum as the Directors may consider fair compensation for his expense in connection with his attending and returning from the meeting of the Board of Directors or any</p>	Remuneration of Directors

		<p>Committee thereof in addition to his remuneration as above specified.</p> <p>b) Subject to the provisions of Section 197 of the Act, the Directors may with the sanction of a special resolution passed in the general meeting, and such sanction if any, of the Government of India as may be required under the Act, sanction and pay to any or all the Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem it fit.</p> <p>Provided that where the Company takes a Directors' and Officers' Liability Insurance, specifically pertaining to a particular Director and/or officer, then the premium paid in respect of such insurance, for the period during which a Director and/or officer has been proved guilty, will be treated as part of remuneration paid to such Director and/or officer.</p> <p>c) In addition to the remuneration payable to them in pursuance of the Act, Directors may be paid all traveling, hotel and other expenses properly incurred by them in connection with the business of the Company.</p>	
107.		The continuing Directors may act notwithstanding any vacancy in the Board, but, if and so long as their number reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Director or Directors may act for the purpose of increasing the number of Directors to that fixed for quorum, or of summoning a general meeting of the Company but for no other purpose.	Directors may act notwithstanding vacancy
108.		If any Director is appointed to advise the Board as an expert or be called upon to perform extra services or make special attention to the business of the Company, or as a member of the committee in general meeting by special resolution, the Board may remunerate such director either by a fixed sum or by a percentage of the net profits or otherwise and such remuneration may be either in addition to or in substitution of any other remuneration to which he may be entitled under Article 106.	Remuneration of Directors for extra services
109.		<p>a. The Board of Directors may from time to time elect one of them to be the Chairman of the Board of Directors for such period as the Board may fix by the resolution making the appointment, provided that if the Chairman should cease to be a Director of the Company, he shall also cease to be Chairman.</p> <p>b. The Chairman shall be paid, subject to the sanction of the Government, if any required for the purpose, such sum as remuneration for his services as Chairman, as the Company may, with like sanction from time to time fixed by a special resolution at a general meeting.</p>	Chairman of Board of Directors
110.		Subject to the provisions of Sections 152(7), 161(4) and 169(7) of the Act, if the office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting casual vacancy may be	Board's power to fill Casual vacancies

		filled by the Board at the meeting of the Board. Any person so appointed shall hold office only upto the date which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.	
111.		<p>a. Subject to the provisions of Sections 149, 152 and 161 of the Act and Applicable Laws, the Board may, from time to time, appoint any person as an additional Director, provided that the number of Directors and additional Directors together shall not exceed the maximum number of directors fixed under Article Error! Reference source not found.above. Any person so appointed as an Additional Director shall hold office upto the date of the next annual general meeting of the Company.</p> <p>b. Subject to the provisions of Section 161(2) of the Act, the Board may appoint any individual to be an alternate Director to act for a Director (hereinafter referred to as the Original Director) during his absence for the period not less than three months from India. Such appointee whilst he holds office as an alternate Director shall be entitled to notice of all the meetings of the Board and to attend and vote thereat and on resolutions proposed by circulation. No person shall be appointed as an Alternate Director in place of an Independent Director unless he is qualified to be appointed as an Independent Director under the Act and Applicable Law. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the terms of office of the Original Director are determined before he so returns to India, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director, and not to the Alternate Director. For the purpose of absence in the Board meetings in terms of Section 167 (1) (b) of the Act, the period during which an Original Director has an alternate Director appointed in his place, shall not be considered.</p>	Additional Director/ Alternate Director
112.		<p>a. Subject to the provisions of Section 149(6) of the Act and other Applicable Laws, the Board or any other Committee as per the Act shall identify potential individuals for the purpose of appointment as Independent Director either from the data bank established under Section 150 of Act or otherwise.</p> <p>b. The Board on receiving such recommendation shall consider the same and propose his appointment for approval at a general meeting. The explanatory statement to the notice for such general meeting shall provide all requisite details as required under the Act.</p> <p>c. Any casual vacancy in the post of an Independent Director caused by way of removal, resignation, death,</p>	

	<p>vacation of office under Section 167 of the Act and Applicable Law or Article 110. removal from Directorship pursuant to any court order or due to disqualification under Section 164 of Act shall be filled by following the process laid down herein below and in accordance with the Applicable Law. No such casual vacancy shall prejudice the functioning of the Board during the intervening period.</p> <p>d. Every Independent Director shall at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence.</p> <p>e. The Company and Independent Directors are required to abide by the provisions specified in Schedule IV of the Act.</p> <p>f. An Independent Director shall not be entitled to any stock option and may receive remuneration by way of sitting fee, reimbursement of expenses for participation in the Board and other meetings and also to such commission based on profits, as may, subject to provisions of Applicable Law, be approved by the Members.</p> <p>g. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.</p> <p>h. Term of Independent Director:</p> <p style="padding-left: 40px;">Subject to Applicable Law, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of a Company, but shall be eligible for reappointment for one more term on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.</p> <p style="padding-left: 40px;">No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of 3(three) years of ceasing to become an Independent Director provided that he shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.</p>	
113.	<p>The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person that he or it shall have the right to appoint his or its nominee on the Board, not being an Independent Director, upon such terms and conditions as the Company may deem fit. He shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.</p>	Nominee Directors

	<p>In the event of Company borrowing any money from any financial corporation or institution or Government or any Government body or a collaborator, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may have and may exercise the right and power to appoint, from time to time, any person or persons to be a Director or Directors of the Company. This right is subject to the terms of the agreement with the lending entity.</p> <p>A nominee Director may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification shares.</p> <p>The Company may pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the lending entity and the same shall accordingly be paid by the Company directly to the lending entity. Any expenses that may be incurred by the lending entity or such Nominee Director/s in connection with their appointment or directorships shall also be paid or reimbursed by the Company to the lending entity or, as the case may be, to such Nominee Director/s.</p> <p>Provided that if any such Nominee Director/s is an Officer of the lending entity, the sitting fees in relation to such Nominee Director/s shall also accrue to the lending entity and the same shall accordingly be paid by the Company directly to the lending entity. The Nominee Director or Directors so appointed shall not be liable to retire by rotation of Directors in accordance with the provisions of these Articles.</p>	
114.	<p>a. No person not being a retiring Director, shall be eligible for appointment to the office of Director at any general meeting unless he or some Member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such Member to propose him as a candidate for that office along with the requisite deposit of Rupees 1 Lac or such higher amount as the Board may determine, as permissible by Applicable Law.</p> <p>b. Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to</p>	<p>Notice of candidature for office of Directors except in certain cases</p>

	<p>act as a Director, if appointed.</p> <p>c. A person other than a Director reappointed after retirement by rotation immediately on the expiry of his term of office, or an additional or alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has submitted consent in writing to act as a Director of the Company and the same is filed with the Registrar within thirty days of his appointment.</p>	
115.	<p>a) Subject to the provisions of the Act and Applicable Law, the Directors and the Managing Directors shall not be disqualified, by reason of their office as such, from contracting with the Company as vendor, purchaser, lender, agent, broker or otherwise nor shall any such contract or arrangements entered into with any Director or the Managing Director or with any Company or firm in which the Director or the Managing Director shall be a member or partner or otherwise interested be avoided nor any Director or Managing Director so contracting or being such member so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such Director or Managing Director holding that office or of the fiduciary relation thereby established but the nature of the interest must be disclosed by the Director or Managing Director at the Meeting of the Board at which the contract or arrangement comes up or in any other case at the first meeting of the Board after the acquisition of such interest.</p> <p>b) A Director shall not vote or take part in discussions in a meeting of the Board of Directors at which the contract or arrangement in which such Director is interested as aforesaid comes for discussion and voting.</p> <p>c) The above provisions shall not apply to any contract by or on behalf of the Company to give to a Director or Managing Director or any of them any security by way of indemnity against any loss which they or any of them suffer by becoming or being sureties for the Company.</p> <p>d) Subject to provisions of Section 184 of the Act, a general notice given by the managing Director and/or a Director that the managing Director or any other Director is a Director or a member of any specified Company or firm is to be regarded as interested in any subsequent transaction with such Company or firm shall be sufficient disclosure under this Article and once such a general notice is given it shall not be necessary to give any special notice relating to any particular transaction with such Company or firm.</p> <p>e) Any such general notice shall expire at the end of each financial year in which it is given. But such notice may be renewed for further periods of one financial year at a time by giving a fresh notice. Such fresh notice shall be given in the last month of the financial year which it</p>	<p>Condition under which directors may contract with the Company</p>

		would otherwise expire. f) Any such general notice and any renewal thereof shall not have any effect unless either it is given at a meeting of the Board or the Director concerned ensures that it is brought up and read at the first meeting of the Board after it is given. g) A Director may be or may become a Director of any Company promoted by this Company or in which this Company may be interested as vendor, shareholder or otherwise and such director shall not be accountable to the Company for any benefits received as such Director.	
116.		The Company shall keep a register in accordance with Section 189 (1) of the Act and Applicable Law. The register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the company secretary of the Company or any other person authorized by the Board for the purpose. Such a Register shall be open to inspection at such office, and extracts maybe taken therefrom and copies thereof may be provided to a Member of the Company on his request, within seven days from the date on which such request is made and upon the payment of Rs. 10 (<i>ten rupees</i>) per page, as such higher amount as may be laid by the Board, as permitted by Applicable Law.	Register of contracts in which Directors are interested
117.		Except as otherwise provided by these Articles, all the Directors of the Company shall have in all matters equal rights and privileges, and be subject to equal obligations, and duties in respect of the affairs of the Company.	Right of Directors
118.		At the first annual general meeting all the Directors as are liable to retire by rotation, shall retire and seek re-election. At least two-thirds of the total number of Directors, excluding Independent Directors, will be the Directors who are liable to retire by rotation (hereinafter called “the Rotational Directors”) Thereafter at every annual general meeting 1/3rd of the Rotational Directors shall retire by rotation and the Director so retiring shall be eligible to seek re-election.	Rotation and Retirement of Director
119.		A retiring director shall be eligible for re-election and the Company at the general meeting at which a Director retires in the manner aforesaid may fill up the vacancy by electing a person thereto.	Retiring Director eligible for re election
120.		The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons, who have become Directors on the same day, those who are to retire shall, in default of an agreement among themselves, be determined by lot.	Which Directors to retire
121.		The Company shall keep at its Registered Office a register containing the addresses and occupation and other particulars of its Directors, and Key Managerial Personnel, which shall include the details of securities held by each of them in the Company or its holding,	Registers of Directors& Key Managerial Personnel and notification of change to Registrar

		subsidiary, subsidiary of Company's holding Company or associate companies in accordance with the requirements of the Section 170 of the Act and Applicable Law and it shall file with the Registrar of Companies, returns as required by the Act.	
122.		<p>a) The managing Director may at any time convene a meeting of the Directors.</p> <p>b) At least 7 (seven) days' notice of every meeting of the Board of Directors shall be given in writing to every Director for the time being in India, and at his usual address in India to every other Director.</p> <p>c) A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting, or in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director.</p> <p>d) Every Director present at any meeting of the Board or of a Committee thereof shall sign his name in a book to be kept for that purpose. The names of Directors who have participated in Board meetings through electronic mode shall be entered and initialled by the company secretary, stating the manner in which the Director so participated.</p>	Directors may summon meeting
123.		<p>1) Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the regulations of the Company for the time being vested in or exercisable by the Directors generally, or in accordance with Section 179 of the Act and all questions arising at any meeting of the Board shall be, decided by a majority of the Board.</p> <p>2) In case of any equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.</p>	Exercise of powers to be valid in meetings where a quorum is present
124.		Subject to the provisions of Section 173(2) of the Act and Applicable Law, the Directors may participate in meetings of the Board otherwise through physical presence, electronic mode as the Board may from time to time decide and Directors shall be allowed to participate from multiple locations through modern communication equipment for ascertaining the views of such Directors who have indicated their willingness to participate by such electronic mode, as the case may be.	Meetings of Board by video/audio- visual conferencing
125.		a. The Board may, by way of a resolution passed at a meeting, decide the venues where arrangements may be made by the Company, at the Company's cost, for participation in Board meetings through electronic mode, as the case may be, in accordance to the provisions of 173(2) of the Act and Applicable Law. In case of a place	Regulation for meeting through Electronic Mode

	<p>other than such places where Company makes arrangements as above, the Chairperson may decline the right of a Director to participate through electronic mode in view of concerns of security, sensitivity and confidentiality of Board proceedings. Where the Chairperson so permits a Director to participate from a place other than the designated places where the Company has made the arrangements, the security and confidentiality of the Board proceedings shall be the responsibility of the Director so participating, and the cost and expense in such participation, where agreed to by the Chairperson, may be reimbursed by the Company.</p> <p>b. Subject to as aforesaid, the conduct of the Board meeting where a Director participates through electronic mode shall be in the manner as laid down in Applicable Law</p> <p>c. The rules and regulations for the conduct of the meetings of the Board, including for matters such as quorum, notices for meeting and agenda, as contained in these Articles, in the Act and/or Applicable Law, shall apply to meetings conducted through electronic mode, as the case may be.</p> <p>d. Upon the discussions being held by electronic mode, as the case may be, the Chairman or the company secretary shall record the deliberations and get confirmed the views expressed, pursuant to circulation of the draft minutes of the meeting to all Directors to reflect the decision of all the Directors participating in such discussions.</p> <p>d. Subject to provisions of Section 173 of the Act and the Applicable Laws, a Director may participate in and vote at a meeting of the Board by means of Electronic Mode which allows all persons participating in the meeting to hear and see each other and record the deliberations. Where any Director participates in a meeting of the Board by any of the means above, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting prior to the commencement of this Board Meeting.</p>	
126.	<p>a. The quorum for a meeting of the Board shall be one third of its total strength (any fraction contained in that one third being rounded off as one) or two directors whichever is higher, provided that where at any time the number of interested director is equal to or exceeds two thirds of the total strength the number of the remaining directors that is to say the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Director on the date of the resolution or meeting that is to say, the total strength of the Board after deducting there from the number of Directors, if any, whose places are vacant at the time.</p> <p>b. The quorum for a meeting of the Board shall be</p>	Quorum

		<p>determined from time to time in accordance with the provisions of the Section 174 of the Act. If a quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall decide.</p> <p>c. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a general meeting of the Company and for no other purpose.</p>	
127.		<p>Save as otherwise expressly provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or Applicable Laws, a resolution in writing circulated in draft together with the necessary papers if any, to all the members of the Board or the Committee then in India (not being less in number than the quorum fixed for the meeting of the Board or the Committee as the case may be) and to all other Director or members at their usual addresses in India and approved by such of the Director as are then in India or by a majority of such of them, as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.</p> <p>Provided that, where not less than one-third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a Board Meeting.</p> <p>Provided further that where the resolution has been put to vote at a Board Meeting, the consent of dissent of the Directors obtained by way of resolution by circulation shall be rendered void and given effect to.</p>	Resolution by circulation
128.		<p>In furtherance of and without prejudice to the general powers conferred by Section 179 of the Act and other powers conferred by the Articles, and subject to the provisions of Section 180 of the Act, it is hereby expressly declared that it shall be lawful for the Directors to carry out all or any of the objects set forth in the Memorandum of Association or by these Articles of the Company, required to be exercised by the Company in general meeting subject nevertheless to these Articles, to the provisions of the Act and the Applicable Law made there under, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting; but no regulations made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made and to do the following things.</p>	Specific powers of Directors

	<p>a) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell let, exchange or otherwise dispose of the property, privileges and undertaking of the Company upon such terms and conditions and for such consideration as they may think fit.</p> <p>b) At their discretion to pay for any property, rights and privileges acquired by or service rendered to the Company either wholly or partly in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up, the sum as may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.</p> <p>c) To secure the fulfillment of any contracts or agreements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.</p> <p>d) To appoint and, at their discretion, remove or suspend agents secretaries, officers, clerks and servants for permanent, temporary or special services as they may from time to time think fit and determine their powers and duties, and fix their salaries or emoluments and require security in such instance and to such amount as they think fit.</p> <p>e) To Institute, conduct, defend, compound or abandon any legal suit by or proceedings against the Company or its officer or otherwise concerning the affairs of the Company also to compound and allow time for payment or satisfaction of any dues and of any claims or demands by or against the Company.</p> <p>f) To refer any claims or demands by or against the Company to arbitration and observe and perform the awards.</p> <p>g) To make and give receipts, releases and other discharge for money payable to the Company and of the claims and demands of the Company.</p> <p>h) To act on behalf of the Company in all matters relating to bankrupts and insolvents.</p> <p>i) To execute in the name and on behalf of the Company in favor of any Director or other person who may incur or be about to incur personal liability for the benefit of the Company such mortgage of the Company's property (present and future) as they think fit and any such mortgage may contain power of sale and such other powers, covenants and provisions as shall be agreed upon.</p> <p>j) To give any person employed by the Company a</p>	
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		<p>commission on the profit of any particular business or transaction or a share in the general profits of the Company.</p> <p>k) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.</p> <p>l) From time to time make, vary and repeal by-laws for the regulations of the Company, its officers and servants.</p> <p>m) Before recommending any dividends, to set aside out of the funds of the Company to provide for such pensions, gratuities or compensations, or to create any provident fund as the directors may deem fit.</p> <p>n) To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such funds and accrual employment suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said fund as the Directors shall from time to time think fit.</p> <p>o) To act generally, at their absolute discretion, to do and perform every act and thing which they may consider necessary or expedient for the purpose of carrying on the business of the Company excepting such acts and things as by Memorandum of Association of the Company, or by these presents may stand prohibited.</p> <p>p) The Board of Directors may, subject to Applicable Law directly or indirectly, make any loan to any other body corporate, give any guarantee, or provide any security, in connection with a loan made by any person to, or to any other person by, any body-corporate and acquire byway of subscription, purchase or otherwise the securities of any other body corporate, subject to the limits prescribed under Section 186 of the Act.</p>	
129.		<p>The Board shall have power, subject to the provisions of Section 203 of the Act, to appoint as company secretary, as defined in clause (c) of sub-Section (1) of section 2 of the Company Secretaries Act, 1980 (56 of 1980) a person fit in their opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The functions of the company secretary shall be in accordance with Section 205 of the Act and other Applicable Law. The company secretary shall have such powers and duties as may from time to time, be delegated or entrusted to him by the Board or the Managing Director.</p>	Company secretary
		MANAGING DIRECTOR	

130.		The Directors may, subject to the provisions of the Act and these Articles, appoint one or more of their body to the office of Managing Director, for fixed term not exceeding five years at a time, or whole-time Director for such period and on such terms and conditions as Board thinks fit. Any such appointment shall be automatically terminated if the appointee ceases to be a Director. If any managing Director or whole - time Director is found guilty of fraud or gross negligence or refuses to comply with the directions of the Board as provided in these Articles he may be removed from the said office by a resolution of the Board of Directors.	Appointment of Managing Director
131.		In the event of any vacancy arising in the office of a Managing Director or if the Directors resolve to increase the number of Managing Directors, the vacancy shall be filled by the Board of Directors and the Managing Director so appointed shall hold the office for such period as the Board may fix.	
132.		The Managing Director shall not be liable to retirement by rotation so long as he holds office as managing Director.	Managing Director not to retire by rotation
133.		A Managing or whole time Director may be paid such remuneration, whether by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act, as the Board of Directors may determine.	
134.		<p>The Managing Director shall, subject to the supervision and control of the Board of Directors, have the management of whole of the affairs and business of the Company and of all its assets and shall exercise and perform all the powers and duties vested in him for the time being in accordance with the provisions of these presents or by any resolution of the Board including the following:</p> <p>(a) Subject to the provisions of Section 180of the Act, to sell for cash or on credit and either wholesale or in retail and for ready or future delivery and realize the proceeds of sale property, movable or immovable or any right or privileges belonging to the Company or in which the Company is interested or over which the Company has any such power of disposal and to exchange any such power of or rights belonging to the Company for other property or rights.</p> <p>(b) To determine from time to time who shall be entitled to sign on the Company’s dividend warrants, releases, contracts, and documents and to give the necessary authority for such purpose.</p> <p>(c) To executive all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purpose of the Company and to make and give receipts, releases and other discharge for money or goods, property received in the usual course of business of the Company and for all the claims and</p>	Power to be exercised by Managing Director

	<p>demands of the Company.</p> <p>(d) To institute, conduct, defend, compound or abandon any actions, suits, and legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same actions, suits and legal proceedings.</p> <p>(e) To enter into, vary or cancel all type of contracts on behalf of the Company.</p> <p>(f) To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisors, accountants, managers, cashiers, clerks, agents, commission agents, dealers, brokers, foreman, servants, employees of technical or skilled assistants as from time to time may in his opinion be necessary or advisable in the interest of the Company and upon such terms as to duration of employment, remuneration or otherwise and require security in such instances and to such amounts as the managing Director thinks fit.</p> <p>(g) To acquire by purchase, lease, exchange, pledge, hypothecation, or otherwise transfer lands, estates, fields, buildings, office, showroom, godowns and other buildings machinery, engine, plant, rolling stock, tools, machine tools, outfits, stores, hardware and any other materials of whatever description either on credit or for cash and for present or future delivery.</p> <p>(h) To plan develop, improve, cutdown, process, sell or otherwise dispose of the product of the Company and to incur all expenses in this behalf.</p> <p>(i) To erect, maintain, repair, equip, alter and extend buildings and machinery.</p> <p>(j) To enter into such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as he may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.</p> <p>(k) To pay all moneys due by the Company and look after the finance of the Company.</p> <p>(l) To open current and time deposit accounts or other accounts with bankers at his choice and to operate on such accounts and also when necessary; to overdraw or take loans on such accounts on the security of the Company or of any of its assets.</p> <p>(m) To draw, accept, endorse, discount, negotiate, and discharge on behalf of the Company, all bills of exchange, promissory notes, cheques, bundles, drafts, railway receipts, dock warrants, delivery orders, Government promissory notes, other Government instruments, bonds, debenture stock of corporation, local bodies, port trust, Improvement Trusts or other</p>	
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		COMMON SEAL	
135.		The Board shall provide a Seal, if any, of the Company and shall have power from time to time to destroy the same and substitute anew seal in lieu thereof and the Directors shall provide for the safe custody of the seal for the time being. The Company also be at liberty to have an official Seal for use in any territory, district or place outside India	

136.		<p>The Seal, if any, shall not be affixed to any instrument except by authority of Board or of a committee of the Board authorised by it in that behalf and in the presence of officers duly authorized by the Board for such purpose, and the officers authorized shall sign every instrument to which the Seal shall be affixed. Provided, nevertheless, that any instrument other than a share certificate bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same. Provided further that in respect of issue of share certificates the provisions of Section 46 of the Act and Applicable Laws shall apply</p>	
137.		<p>a. The Board may before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied including provision for meeting contingencies or for equalizing dividends and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than the shares of the Company) as the Board may from time to time think fit.</p> <p>b. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.</p> <p>c. Such reserve, being free reserve, may also be used to declare dividends in the event the Company has inadequate or absence of profits in any financial year, in accordance to Section 123 of the Act and Applicable Law made in that behalf. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>	Reserve Fund
		CAPITALISATION OF PROFITS	
138.		<p>1. The Company in general meeting may, on the recommendation of the Board, resolve:</p> <p>a. that the whole or any part of any amount standing to the credit of the share premium account, or the capital redemption reserve account or any moneys, investments or other assets forming part of undivided profits including profits or surplus money arising from the realization and (where permitted by law) from appreciation in value of any capital assets of the Company standing to the credit of the general reserve or any reserve fund or any amount standing to the credit of the profits and loss account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend be capitalised and</p> <p>b. that such sum be accordingly set free for distribution in manner specified in sub clause (2) amongst the members who would have been entitled thereto if distributed by way of dividend and in the same</p>	

	<p>proportion.</p> <p>2. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in sub-clause (3) either in or towards.</p> <p>(i) paying up any amount for the time being unpaid on any share held by such members respectively; or</p> <p>(ii) paying up in full, unissued shares or debentures of the Company to be allotted and distributed and credited as fully paid up to and amongst such members in the proportions aforesaid or</p> <p>(iii) Partly in the way in sub-clause (i) and partly in that specified in sub-clause (ii).</p> <p>3. A securities premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.</p> <p>4. The Board shall give effect to resolution passed by the Company in pursuance of this Article.</p> <p>Provided that any amounts standing to the credit of the Free reserves or Securities Premium Account or the Capital Redemption Reserve Account shall be applied in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid Bonus Shares as per the provisions of section 63 of the Act, 2013 read with Applicable Law.</p>	
139.	<p>1. Wherever such a resolution as aforesaid shall have been passed, the Board shall</p> <p>a. make all appropriation and application of the undivided profits resolved to be capitalised thereby and make all allotments and issue of fully paid shares or debentures, if any and</p> <p>b. generally do all acts and things required to give effect thereto.</p> <p>2. The Board shall have full powers</p> <p>a. to make such provisions, by the issue of fractional certificates or by payments of cash or otherwise as it thinks fit in case of shares or debentures becoming distributable infractions and also.</p> <p>b. to authorize any person to enter on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares or debentures to which they may be entitled upon such capitalization, or (as the case may require) for the payment by the Company on their behalf by the application thereto in their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing</p>	

		shares. 3. Any agreement made under such authority shall be effective and binding on all such Members.	
		DIVIDEND	
140.		The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these presents, and subject to the provision of these presents as the Reserve Fund, shall be divisible among all the equity shareholders.	Rights to dividend
141.		The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Board. No dividend shall bear any interest against the Company.	Declaration of dividend
142.		The declarations of the Directors as to the amount of the net profits of the Company shall be conclusive.	What to be deemed net profits
143.		The Board may, from time to time, pay to the shareholders of any class of shares such interim dividend as appear to it to be justified by the profits of the Company.	Interim dividend
144.		No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by Section 123 of the Act.	Dividend to be paid out of the profits only
145.		1. Subject to the rights of persons, if any, entitled to shares with special right as to dividends, all dividends shall be declared and paid or credited as paid on the shares in respect whereof the dividend is paid. 2. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of these regulations as paid on the share. 3. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issue on terms providing that it shall rank for dividends as from a particular date such shares shall rank for dividend accordingly. 4. No dividend shall be forfeited by the Board and the Company shall comply with provisions of Sections 123 of the Act.	Method of payment of dividend
146.		The Board may deduct from any dividend payable to any member all sums of money if any, presently payable by him to the Company, on account of calls in relation to the shares of the Company or otherwise.	Deduction of Arrears
147.		Any general meeting declaring dividend or bonus may make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and the dividend may if so arranged between the Company and	Adjustment of Dividend/Bonus

		themselves be set off against the call.	
148.		<p>1. Any dividend, interest or other moneys payable in cash in respect of shares may be paid by electronic mode to the shareholders entitled to the payment of the Dividend, or by way of cheque or warrant sent through post directed to the registered address of the Register of members or to such address of the holders may in writing direct.</p> <p>2. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p> <p>3. Every dividends or warrant or cheque shall be posted within 30days from the date of declaration of dividends.</p>	
149.		Any benefits arising on transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer.	Transfer of share not to pass prior dividends
150.		<p>1. The Board shall cause proper books of accounts to be kept in respect of sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place of all sales and purchases of goods by the Company and of the assets and liabilities of the Company and any other particulars as are required for the time being to be maintained u/s 128 of the Act.</p> <p>2. All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch as the case may be with respect to the matters aforesaid and explained in its transactions.</p> <p>3. The books of account shall be open to inspection by any Director during business hours.</p>	Books of accounts to be kept
151.		The books of account shall be kept at the registered office or such other place as the Board thinks fit.	Where the books of accounts be kept
152.		The Board shall from time to time determine whether and to what extent and at what time and under what conditions or regulations the accounts and books and documents of the Company or any of them shall be made available to inspection of the members and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as authorised by the Board or by a resolution of the Company in general meeting.	Inspection by members
153.		<p>a. Statutory auditors shall be appointed and their rights and duties regulated in accordance with Sections 139 to 148 of the Act and Applicable Laws. Where applicable, a secretarial auditor shall be appointed by the Board and their rights and duties regulated in accordance with Sections 204 of the Act and Applicable Laws.</p> <p>b. Subject to the provisions of Section 139 of the Act and Applicable Laws made thereunder, the statutory auditors of the Company shall be appointed for a period of five consecutive years, subject to ratification by members at</p>	Auditors to be appointed

		every annual general meeting. Provided that the Company may, at a general meeting, remove any such auditor or all of such auditors and appoint in his or their place any other person or persons as may be recommended by the Board, in accordance with Section 140 of the Act or Applicable Laws.	
		SERVICE OF DOCUMENTS AND NOTICE	
154.		A document may be served on the Company or any office thereof by sending it to the Company or to its principal officer at the registered office of the Company by registered post or by speed post or by courier service or by delivering it at registered office or by way of any electronic mode, as prescribed in Section 20 of the Act and Applicable Law.	Service of Documents on the Company
155.		Each registered holder of share shall from time to time notify in writing to the Company some places in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.	Members to notify address in India
156.		Every person who, by the operations of law, transfer, or other means whatsoever, shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered on the Register, shall have been duly served on or sent to the person from whom he derives his title to such share or stock.	Member bound to document given to previous holders
		MAINTENANCE OF REGISTERS AND INSPECTION	
157.		<p>a. The Company shall maintain a register of Members and index in accordance with Section 88 of the Act. The details of shares held in physical or dematerialized forms may be maintained in a media as may be permitted by law including in any form of electronic media.</p> <p>b. A member, or other security holder or beneficial owner may make inspection of register of Members and annual return. Any person other than the Member or debenture holder or beneficial owner of the Company shall be allowed to make inspection of the register of Members and annual return on payment of Rs. 50 or such higher amount as permitted by Applicable Law as the Board may determine, for each inspection. Inspection may be made during business hours of the Company during such time, not being less than 2 hours on any day, as may be fixed by the company secretary from time to time.</p> <p>c. Such person, as referred to above, may be allowed to make copies of the register of Members or any other register maintained by the Company and annual return, and require a copy of any specific extract therein, on payment of Rs. 10 for each page, or such higher amount as permitted under Applicable Law.</p>	Register of Members and Index

158.		The Company may also keep a foreign register in accordance with Section 88 of the Act containing the names and particulars of the Members, Debenture-holders, other Security holders or beneficial owners residing outside India; and the Board may (subject to the provisions of aforesaid Section) make and vary such regulations as it may think fit with respect to any such register.	Foreign Register
159.		The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 77 to 87 of the Act, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.	Register of Charge
160.		The Company shall, if at any time it issues debentures, keep register and index of debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any state or country outside India a branch register of debenture-stock, resident in that State or Country.	Register and index of Debenture holders
161.		The Company shall keep at its registered office a register containing the particulars of its Directors and Key Managerial Personnel, which shall include the details of Securities held by each of them in the Company or its holding, subsidiary, subsidiary of Company's holding Company or associate companies in accordance to Section 170 of the Act and Applicable Law.	Register of Directors and Key Managerial Personnel and their shareholding
162.		<p>The Company shall keep a Register in accordance with Section 189 (1) of the Act and Applicable Law. The Register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.</p> <p>Such a Register shall be open to inspection at such office, and extracts maybe taken therefrom and copies thereof may be provided to a Member of the Company on his request, within seven days from the date on which such request is made and upon the payment of Rs. 10 (ten rupees) per page, as such higher amount as may be laid by the Board, as permitted by Applicable Law.</p>	Register of Contracts
163.		<p>The Company shall keep a Register in accordance with Section 186 (9) of the Act and Applicable Law. The Register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose</p> <p>Such a Register shall be open to inspection at such office, and extracts maybe taken therefrom and copies thereof may be provided to a Member of the Company on his request, within seven days from the date on which</p>	Register of Investments, Loans, guarantees

		such request is made and upon the payment of Rs. 10 (ten rupees) per page, as such higher amount as may be laid by the Board, as permitted by Applicable Law.	
164.		<p>The Company shall keep a Register in accordance with Section 187(3) of the Act and Applicable Law. The Register shall be kept at the registered office of the Company and shall be preserved permanently be kept in the custody of the Company Secretary of the Company or any other person authorized by the Board for the purpose.</p> <p>Imposing Reasonable restriction</p> <p>When under any provisions of the Act and/or Applicable Law any person, whether a member of the company or not, is entitled to inspect any register, returns, certificates, deed instrument or document required to be kept or maintained by the company, the person so entitled to inspection shall be allowed to make inspection of the same at the registered office of the Company on payment of such maximum fee as prescribed by Applicable Law from time to time for each inspection and such inspection shall remain open for 2 hours i.e from 11.00 am to 1.00 pm on any working day of the Company.</p>	Register of Investments not held by the company in its own name
165.		Subject to the provisions of the Act, as to preferential payments, the assets of a Company, shall, on its winding up, be applied in satisfaction of its liabilities pari-passu, and subject to such application, shall unless the Article otherwise provide, be distributed among the members according to their rights and interests in the Company.	Winding Up
166.		<p>a. If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide among the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.</p> <p>b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>c. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>	Division of assets of the Company in specie
167.		a. Subject to the provisions of Section 197 of the Act every Director, manager, Company Secretary, and other officers or employees of the Company shall be indemnified by the Company in respect of all costs, losses and expenses (including travelling expenses) which any Director, officer or employee may incur or become liable to by reason of any contract entered into	

		<p>or act or deed done by him or in any other way in the discharge of his duties, as such Director, officer or employee.</p> <p>b. Subject as aforesaid every Director, manager, Company Secretary, or other officer or employees of the Company shall be indemnified against, any liability incurred by them or him in defending any proceedings whether civil or criminal in which judgment is given in their or his favour or in which he is acquitted or discharged or in connection with any application under section 463 of the Act in which relief is given to him by the Court. The Company shall pay and bear all fees and other expenses incurred or incurable by or in respect of any Director for filing any return, paper or document with the Registrar of Companies or complying with any of the provisions of the Act in respect of or by reason of his office as a Director or other officer of the Company.</p>	
168.		<p>Subject to the provisions of Section 197 of the Act, no Director or other officer of the Company shall be liable for the acts, receipt, neglects or defaults of any other Director or officer, or for joining in any receipts or other act for conformity for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the sufficiency or deficiency or any security in or upon which any of the moneys of the Company shall be invested, for any loss or damages arising from the bankruptcy, insolvency, or tortuous act of any person, Company or corporation with whom any entrusted or deposited for any loss occasioned by any error of judgment or oversight on his part or for any loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation hereto unless the same happens through his own act or default.</p> <p>a. No member shall be entitled to visit or inspect the company's premises without the permission of the Managing Director or any other Director or Company Secretary. No member shall be entitled to be informed about any detail as regards Company's business or any matter which is or may be in the nature of a trade secret, mystery of trade or secret process or which may relate to the conduct of the business and which, in the opinion of the Directors or the Company Secretary, would be inexpedient in the interest of the members to disclose.</p> <p>b. Every Director, managing Director, manager, Company Secretary, auditor, trustee, members of a Committee, officer, servant, agent, accountant or other persons employed in the business of the Company shall if so required by the Directors before entering upon his duties or any time during his term of office sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in his</p>	Not responsible for acts of others

		discharge of duties except when required so to do by the Board or by any general meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.	
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SECTION IX- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of 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 Supreme Business Park, Floor 5 & 6, B Wing, Supreme IT Park, Supreme City, Powai, Mumbai – 400 076 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 September 30, 2019 executed between our Company and the Lead Managers.
2. Registrar Agreement dated September 24, 2019 executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated September 5, 2019 executed between our Company and the Debenture Trustee.
4. Tripartite agreement dated June 18, 2019 among our Company, the Registrar and CDSL.
5. Tripartite agreement dated December 18, 2018 among our Company, the Registrar and NSDL.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated August 30, 1994, January 6, 2006, and January 8, 2007 issued by Registrar of Companies, Chennai.
3. Certificate of Registration as an NBFC dated May 27, 2011 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934.
4. Copy of shareholders resolution dated April 8, 2019 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 March 13, 2019, approving the issue of NCDs.
6. Copy of the resolution dated September 30, 2019 passed by circulation by the Retail Bond Issue Committee approving the Draft Shelf Prospectus.
7. Credit rating Letter dated July 5, 2019 and revalidated vide revalidation letter dated August 20, 2019 and further revalidated vide revalidation letter dated September 16, 2019, credit rating rationale by CRISIL Limited assigning a rating of CRISIL AAA (stable) (pronounced as CRISIL triple A with Stable Outlook) in relation to the Issue.
8. Credit rating Letter dated July 22, 2019 and revalidated vide revalidation letter dated August 30, 2019, credit rating rationale by ICRA Limited assigning a rating of [ICRA] AAA (Stable) (pronounced as ICRA triple A with Stable Outlook) in relation to the Issue.
9. Consents of the Directors, our Compliance Officer, Chief Financial Officer, Lead Managers, Legal Counsel to the Issue, Registrar to the Issue, the Debenture Trustee for the Issue, Banker to the Company, CRISIL for the Industry Report and Credit Rating Agencies to include their names in this Draft Shelf Prospectus, in their respective capacities.
10. The consent of the Statutory Auditors of our Company, namely BSR & Co. LLP, Chartered Accountants for inclusion of their name as the Statutory Auditors and to include their (i) examination reports, each dated September 30, 2019 on our Reformatted Financial Information. (ii) their report dated September 30, 2019 on the statement of tax benefits, in this Draft Shelf Prospectus (have been obtained and has not withdrawn such consent and the same will be filed with the BSE, NSE and SEBI).
11. Annual Report of our Company for the last five Fiscals.
12. In-principle listing approval from BSE by its letter no. [•] dated [•].

13. In-principle listing approval from NSE by its letter no. [•] dated [•].
14. Due Diligence Certificate dated [•], 2019 filed by the Lead Managers with SEBI.
15. Industry report titled 'NBFC Report 2019' dated September 2019 issued by CRISIL.

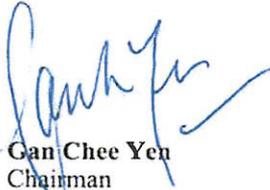
Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue, including the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on the date of Draft Shelf Prospectus, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India 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, including the Securities Contracts (Regulation) Rules, 1957, as amended, 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 in conformity with the applicable law and 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.

Signed by the Board of Directors of the Company



Gan Chee Yen
Chairman
DIN: 03602857

Date: September 30, 2019
Place: MUMBAI

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue, including the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on the date of Draft Shelf Prospectus, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India 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, including the Securities Contracts (Regulation) Rules, 1957, as amended, 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.

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Signed by the Board of Directors of the Company



Hong Ping Yeo
Non-Executive Director and Deputy Chairman
DIN – 08401270

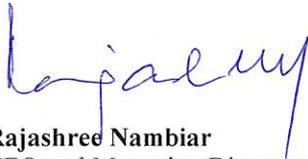
Date: September 30, 2019
Place: MUMBAI

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue, including the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on the date of Draft Shelf Prospectus, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India 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, including the Securities Contracts (Regulation) Rules, 1957, as amended, 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.

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Signed by the Board of Directors of the Company



Rajashree Nambiar
CEO and Managing Director
DIN – 06932632

Date: *September 30, 2019*
Place: *MUMBAI*

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue, including the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on the date of Draft Shelf Prospectus, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India 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, including the Securities Contracts (Regulation) Rules, 1957, as amended, 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 in conformity with the applicable law and 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.

Signed by the Board of Directors of the Company



Anindo Mukherjee
Non-Executive Director
DIN – 00019375

Date: *September 30, 2019*

Place: *MUMBAI*

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue, including the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on the date of Draft Shelf Prospectus, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India 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, including the Securities Contracts (Regulation) Rules, 1957, as amended, 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 in conformity with the applicable law and 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.

Signed by the Board of Directors of the Company



Milan Shuster
Independent Director
DIN - 07022462

Date: September 30, 2019
Place: MUMBAI

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue, including the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on the date of Draft Shelf Prospectus, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India 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, including the Securities Contracts (Regulation) Rules, 1957, as amended, 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 in conformity with the applicable law and 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.

Signed by the Board of Directors of the Company



Premod P Thomas
Independent Director
DIN – 07252875

Date: September 30, 2019
Place: MUMBAI

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue, including the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on the date of Draft Shelf Prospectus, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India 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, including the Securities Contracts (Regulation) Rules, 1957, as amended, 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 in conformity with the applicable law and 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.

Signed by the Board of Directors of the Company



Shirish Apte
Independent Director
DIN - 06556481

Date: *September 30, 2019*
Place: *MUMBAI*

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Issue, including the relevant provisions of the Companies Act and rules prescribed thereunder to the extent applicable as on the date of Draft Shelf Prospectus, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the Reserve Bank of India 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, including the Securities Contracts (Regulation) Rules, 1957, as amended, 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 in conformity with the applicable law and 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.

Signed by the Board of Directors of the Company



Sudha Pillai
Independent Director
DIN – 02263950

Date: September 30, 2019
Place: MUMBAI

ANNEXURE A

CREDIT RATING LETTER AND RATING RATIONALE FROM CRISIL

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CONFIDENTIAL

FICCL/225933/NCD/071956060
July 05, 2019

Mr. Arvind Sampath
Head - Treasury
Fullerton India Credit Company Limited
Ground Floor Trade Point Building
Unit No 7 & 8 Kamala Mills Pandurang Budhkar Marg
Lower Parel
Mumbai - 400013
Tel: 2243215244

Dear Mr. Arvind Sampath,

Re: CRISIL Rating on the Rs. 6000 Crore Non Convertible Debentures of Fullerton India Credit Company Limited

We refer to your request for a rating for the captioned Non Convertible Debentures.

CRISIL has, after due consideration, assigned its "**CRISIL AAA/Stable**" (pronounced as CRISIL triple A rating with Stable outlook) rating to the captioned debt instrument. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

For the purpose of issuance of the captioned debt instrument, this letter is valid for 180 calendar days from the date of the letter. In the event of your company not placing the above instrument within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned debt instrument.

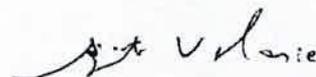
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the CRISIL House, Central Avenue, Atrium, Business Park, CRISIL, 400076, Mumbai. Customer Service Helpdesk: 1200 265800 1301.

**Details of the Rs.6000 Crore Non-Convertible Debentures of
Fullerton India Credit Company Limited**

	<i>1st tranche</i>		<i>2nd tranche</i>		<i>3rd tranche</i>	
<i>Instrument Series:</i>						
<i>Amount Placed:</i>						
<i>Maturity Period:</i>						
<i>Put or Call Options (if any):</i>						
<i>Coupon Rate:</i>						
<i>Interest Payment Dates:</i>						
<i>Principal Repayment Details:</i>	Date	Amount	Date	Amount	Date	Amount
<i>Investors:</i>						
<i>Trustees:</i>						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it does not have any liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the CRISIL House, Central Avenue, Miraflores Business Park, Powai, Mumbai - 400076, contact: CRISIL Helpline at 220042880 1301. www.crisil.com

Rating Rationale

July 04, 2019 | Mumbai

Fullerton India Credit Company Limited

'CRISIL PP-MLD AAAr/CRISIL AAA/Stable' assigned to debt instruments

Rating Action

Total Bank Loan Facilities Rated	Rs.8000 Crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)

Rs.500 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PP-MLD AAAr/Stable (Assigned)
Rs.6000 Crore Non Convertible Debentures	CRISIL AAA/Stable (Assigned)
Rs.2200 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
Rs.500 Crore Subordinated Debt	CRISIL AAA/Stable (Reaffirmed)
Rs.300 Crore Subordinated Debt	CRISIL AAA/Stable (Reaffirmed)
Rs.3000 Crore Commercial Paper (Enhanced from Rs.2600 Crore)	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL has assigned its ratings of '**CRISIL PP-MLD AAAr/CRISIL AAA/Stable**' to the Rs .500 crore long-term principal-protected market-linked debentures and Rs 6000 non-convertible debenture issue of Fullerton India Credit Company Limited (FICCL). CRISIL has also reaffirmed its ratings on the bank facilities and other debt instruments at '**CRISIL AAA/Stable/CRISIL A1+**'.

The rating factors in benefits derived from strong linkages with, and high strategic importance to, the parent, Fullerton Financial holdings Pte Ltd (FFH), which is a step-down subsidiary of Temasek Holdings Private Limited (Temasek; rated 'AAA/Stable' by S&P Global). The rating also reflects FICCL's healthy capitalisation, comfortable earnings, experienced management and strong liquidity management. These strengths are partially offset by the inherent vulnerability of asset quality in unsecured segments and its potential impact on profitability, although the high yield from these segments supports the earnings profile. Further, FICCL plans to increase the share of secured products over the medium term which would also support asset quality metrics.

Analytical Approach

The ratings factor in the strong support expected from, the parent, FFH given that strategic importance of FICCL to FFH, the 100% ownership, complete management control and shared brand.

Key Rating Drivers & Detailed Description

Strengths:

* Strategic importance to, and strong expectation of support from, FFH

The rating is underpinned by the expectation of strong support from FFH, a step down subsidiary of Temasek, owing to the high strategic importance of FICCL to FFH, the 100% ownership, complete management control over FICCL, and the shared brand name.

FICCL is of high strategic importance to FFH as the former has significantly increased its presence in rural/small and medium enterprise (SME) segments in line with the global strategy of FFH. Furthermore, FICCL's operations are closely integrated with the parent and global operations. FFH has senior level representation on the Board and various committees of FICCL, and is actively

involved in all key decisions taken by the company. FICCL's compliance, finance, treasury, business and risk management functions are aligned with the global standards of FFH.

FFH has demonstrated its commitment towards FICCL during stressed times. It has regularly infused growth capital in the company. From 2007 till date, FFH has infused around Rs 2,000 crore with over Rs 600 crore being infused in 2009-2010 during the then stressed environment.

The shared brand also enhances the expectation of support from FFH, if needed. Any material disruption in FICCL business could, in CRISIL's view, have a significant impact on the reputation and franchise of the parent.

FICCL is expected to continue to benefit from the strong support from FFH. Any change in the management control by, or expectation of support from, FFH will remain a key rating sensitivity factor.

***Healthy capitalisation**

The network was sizeable at Rs 3652 crore, and the Tier I and overall capital adequacy ratios comfortable at 14.2% and 19.6%, respectively, as on March 31, 2019. The gearing too was comfortable at around 5.3 times as on March 31, 2019, against 5.1 times as on March 31, 2018. The company has a stringent capitalisation policy. It maintains a buffer over the regulatory requirement; the buffer is based on a stress test conducted in line with FFH policies. Despite strong growth plans, capitalisation is expected to remain comfortable over the medium term, supported by regular capital infusion and healthy internal accrual, thus providing a cushion against asset-side risks.

*** Strong liquidity management**

Liquidity management is strong with FICCL maintaining cash and liquid investments to the extent of at least one month of outflows at all points in time. Including fee-paying committed and undrawn bank lines, this increases further to 2.5-3 months of outflows. This liquidity cushion is higher during periods of stress as was seen during demonetisation. In addition, the diversified lender base, low reliance on short term funding and well-managed asset-liability mismatches to minimise tenor and refinancing risks provide support. FICCL has also raised two overseas Rupee Denominated Bond Issuances (Masala Bonds) thereby diversifying its funding profile further. The company is thus likely to be well-placed to withstand any liquidity pressure in the market.

*** Comfortable earnings**

Earnings are supported by a large proportion of high-yield businesses and competitive borrowing costs. Return on total assets (RoA) of the company stood at 3.7%, which remains higher than that of peers and the industry. The company became fully tax paying only in fiscal 2017. However, even adjusted for tax, profitability has been comfortable in the past.

Profitability metrics are comfortable with RoA¹ at 3.7% in fiscal 2019 improving from 2.2% in fiscal 2018. The earnings profile was impacted in the first half of fiscal 2018 amidst an increase in delinquencies post demonetisation, especially in the rural portfolio as FICCL follows stricter than regulatory required provisioning norms. Nevertheless, earnings, remain susceptible to the inherent vulnerability of asset quality in the unsecured segment, which could result in a spike in provisioning costs. Therefore, ability to improve the stability of earnings while scaling up the loan book remains a key monitorable.

Weaknesses:

*** Inherent vulnerability of asset quality due to higher share of unsecured loans in the portfolio**

Asset quality remains vulnerable to sharp increases given the high share of unsecured loans to the overall portfolio and inherent credit profile of borrower segment. As on March 31, 2019, assets under management (AUM) stood at Rs 21,542 crore, of which around 61% comprised unsecured loans (mainly personal loans [38%] and rural group loans [18%]), which are vulnerable to economic cycles. However, FICCL is planning to introduce new products and increase the proportion of secured products in rural areas which should support asset quality. Further, the rural loans portfolio is likely to benefit from the Government's policies towards this segment.

The impact on asset quality was visible during demonetisation, when gross non-performing assets (GNPA; 90+ days past due¹) spiked to 3.3% as on March 31, 2017 (around 5.0% without regulatory forbearance) as against 1.9% as on March 31, 2016 due to an increase in delinquencies in rural group loans. However, FICCL was able to enforce corrective actions promptly and recoveries have been made, leading to an improvement in GNPA to 2.0% as on March 31, 2019.

Over the years, risk management processes and data analytics capability have been strengthened. Underwriting norms and monitoring mechanisms have been reinforced. The unsecured lending business has also been supported through investments in

risk analytics and technology. Underwriting and collection norms have been tightened based on portfolio performance trends and early warning indicators. Diversification in the loan book will also help mitigate asset quality challenges; this was witnessed during demonetisation when the performance of the urban portfolio remained relatively steady. The increased focus on risk management should mitigate the inherent asset quality risks following the high growth in recent years and focus on relatively riskier asset segments. Ability to maintain asset quality while scaling up the loan portfolio remains a key monitorable.

Liquidity

The ALM profile is comfortable with cumulative positive gaps in all maturity buckets upto 5 years as on March 31, 2019. As on June 25, 2019, the company had total repayment of Rs 2448 crore (CP constituted of Rs 1265 crore) till September 30, 2019 against which it has cash and liquid investments of Rs 1305 crore and unutilized bank lines of Rs 870 crore. Further, average monthly inflows from the loan book of around Rs 1000-1200 crore also support liquidity. The company is also in talks with banks to enhance the bank facilities and has around Rs 1150 crores in pipeline. Despite the market environment, the entity has managed to regularly raise funds having raised a total of around Rs 4601 crores since October 2018 till June 25, 2019.

Outlook: Stable

CRISIL believes FICCL will remain strategically important to, and continue to receive support from, FFH, and will sustain its growth momentum while maintaining its healthy financial risk profile. The company's strong focus on risk management will help mitigate the inherent asset quality risks. The outlook may be revised to 'Negative' if there is a significant diminution in the stake held by, or the support expected from, FFH, or in CRISIL's view, a weakening in the credit risk profile of FFH. The outlook may also be revised to 'Negative' in case of a significant deterioration in the asset quality of FICCL, thereby impacting its profitability and capital profile.

About the Company

FICCL was formed in December 2005 through the acquisition of Dove Finance (DF) by Asia Financial Holding Pte, Singapore (through its investment arm, Angelica Investment Pte Ltd). After the acquisition, the name was changed to First India Credit Company Ltd, which was then renamed to Fullerton India Credit Company Ltd deriving its name from the parent.

FICCL is wholly owned by FFH, which in turn is a wholly owned subsidiary of Temasek. Product offerings include secured products which comprise primarily of mortgages/loans against property, and commercial vehicle loans. The unsecured product offerings comprise of personal loans and rural group loans. The company operates through 526 branches.

Profit after tax (PAT) was Rs 775 crore on total income of Rs 4138 crores in fiscal 2019 against Rs 350 crore on total income of Rs 2713 crore in fiscal 2018.

¹Portfolio performance is measured by 30+ dpd, 90+ dpd, 120+ dpd, 150+ dpd, and 180+ dpd (depending on the loan tenure), which are defined as the sum of overdue and future principal for contracts overdue for more than 30, 90, 120, 150, and 180 days, respectively, expressed as a percentage of portfolio outstanding at that point in time

Key Financial Indicators

As on / for the year ended		March 31, 2019	March 31, 2018
Total Assets (Reported)	Rs crore	23975	17377
Total income	Rs crore	4138	2713
Profit after tax	Rs crore	775	350
Gross NPA	%	2.0	2.4
Gearing	Times	5.3	5.1
Return on assets [^]	%	3.7	2.2

[^]based on total assets

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of	Coupon	Maturity	Issue size	Rating outstanding
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		allotment	rate (%)	date	(Rs. cr)	with outlook
NA	Debenture^	NA	NA	NA	6000	CRISIL AAA/Stable
NA	Long Term Principal Protected Market Linked Debentures	NA	NA	NA	500	CRISIL PP-MLD AAAr/Stable
NA	Term Loan	NA	NA	Door to door tenor of 66 months	400	CRISIL AAA/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	7600	CRISIL AAA/Stable
INE535H07AK8	Debenture	7-Aug-18	Zero	15-Jul-21	180.60	CRISIL AAA/Stable
INE535H07AN2	Debenture	2-Aug-18	8.80	30-Jan-20	25.0	CRISIL AAA/Stable
INE535H07AN2	Debenture	30-Jul-18	8.80	30-Jan-20	100	CRISIL AAA/Stable
INE535H07AJ0	Debenture	25-Jul-18	9.10	15-Dec-21	55	CRISIL AAA/Stable
NA	Debenture^	NA	NA	NA	1681.4	CRISIL AAA/Stable
INE535H07308	Debenture	22-May-13	9.85	22-May-23	40	CRISIL AAA/Stable
INE535H07357	Debenture	5-Nov-13	10.45	3-Nov-23	25	CRISIL AAA/Stable
INE535H07712	Debenture	30-Nov-15	9.10	29-Nov-19	40	CRISIL AAA/Stable
INE535H07720	Debenture	30-Nov-15	9.10	30-Nov-20	25	CRISIL AAA/Stable
INE535H07811	Debenture	29-April-16	8.95	29-April-21	18	CRISIL AAA/Stable
INE535H07829	Debenture	10-May-16	8.95	10-May-21	10	CRISIL AAA/Stable
NA	Subordinate Debt^	NA	NA	NA	500	CRISIL AAA/Stable
NA	Subordinate Debt^	NA	NA	NA	300	CRISIL AAA/Stable
N.A	Commercial Paper	N.A	N.A	7-365 days	3000	CRISIL A1+

^yet to be issued

Annexure - Rating History for last 3 Years

Instrument	Current			2019 (History)		2018		2017		2016		Start of 2016
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Commercial Paper	ST	3000.00	CRISIL A1+			10-08-18	CRISIL A1+		--		--	--
						26-07-18	CRISIL A1+					
						15-05-18	CRISIL A1+					
Long Term Principal Protected Market Linked Debentures	LT	500.00 01-07-19	CRISIL PP-MLD AAAr/Stable		--		--		--		--	--
Non Convertible Debentures	LT	8200.00 01-07-19	CRISIL AAA/Stable			10-08-18	CRISIL AAA/Stable		--		--	--
						26-07-18	CRISIL AAA/Stable					
						15-05-18	CRISIL AAA/Stable					
Subordinated Debt	LT	800.00 01-07-19	CRISIL AAA/Stable			10-08-18	CRISIL AAA/Stable		--		--	--
						26-07-18	CRISIL AAA/Stable					
						15-05-18	CRISIL AAA/Stable					
Fund-based Bank	LT/ST	8000.00	CRISIL			10-08-18	CRISIL		--		--	--

Facilities			AAA/Stable				AAA/Stable					
						26-07-18	CRISIL AAA/Stable					
						15-05-18	CRISIL AAA/Stable					

All amounts are in Rs.Cr.

Annexure - Details of various bank facilities

Current facilities			Previous facilities		
Facility	Amount (Rs.Crore)	Rating	Facility	Amount (Rs.Crore)	Rating
Proposed Long Term Bank Loan Facility	7600	CRISIL AAA/Stable	Proposed Long Term Bank Loan Facility	7600	CRISIL AAA/Stable
Term Loan	400	CRISIL AAA/Stable	Term Loan	400	CRISIL AAA/Stable
Total	8000	--	Total	8000	--

Links to related criteria

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for rating short term debt](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support](#)

For further information contact:

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Note for Media:

This rating rationale is transmitted to you for the sole purpose of dissemination through your newspaper / magazine / agency. The rating rationale may be used by you in full or in part without changing the meaning or context thereof but with due credit to CRISIL. However, CRISIL alone has the sole right of distribution (whether directly or indirectly) of its rationales for consideration or otherwise through any media including websites, portals etc.

CRISIL uses the prefix 'PP-MLD' for the ratings of principal-protected market-linked debentures (PPMLD) with effect from November 1, 2011 to comply with the SEBI circular, "Guidelines for Issue and Listing of Structured Products/Market Linked Debentures". The revision in rating symbols for PPMLDs should not be construed as a change in the rating of the subject instrument. For details on CRISIL's use of 'PP-MLD' please refer to the notes to Rating scale for Debt Instruments and Structured Finance Instruments at the following link: www.crisil.com/ratings/credit-rating-scale.html

About CRISIL Limited

CRISIL is a leading agile and innovative, global analytics company driven by its mission of making markets function better. We are India's foremost provider of ratings, data, research, analytics and solutions. A strong track record of growth, culture of innovation and global footprint sets us apart. We have delivered independent opinions, actionable insights, and efficient solutions to over 1,00,000 customers.

We are majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics and data to the capital and commodity markets worldwide.

For more information, visit www.crisil.com

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About CRISIL Ratings

CRISIL Ratings is part of CRISIL Limited ("CRISIL"). We pioneered the concept of credit rating in India in 1987. CRISIL is registered in India as a credit rating agency with the Securities and Exchange Board of India ("SEBI"). With a tradition of independence, analytical rigour and innovation, CRISIL sets the standards in the credit rating business. We rate the entire range of debt instruments, such as, bank loans, certificates of deposit, commercial paper, non-convertible / convertible / partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 24,500 large and mid-scale corporates and financial institutions. CRISIL has also instituted several innovations in India in the rating business, including rating municipal bonds, partially guaranteed instruments and microfinance institutions. We also pioneered a globally unique rating service for Micro, Small and Medium Enterprises (MSMEs) and significantly extended the accessibility to rating services to a wider market. Over 1,10,000 MSMEs have been rated by us.

CRISIL PRIVACY

CRISIL respects your privacy. We may use your contact information, such as your name, address, and email id to fulfil your request and service your account and to provide you with additional information from CRISIL. For further information on CRISIL's privacy policy please visit www.crisil.com.

DISCLAIMER

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FICCL/225933/NCD/071956060/1

August 20, 2019

Mr. Arvind Sampath

Head - Treasury

Fullerton India Credit Company Limited

Ground Floor Trade Point Building

Unit No 7 & 8 Kamala Mills Pandurang Budhkar Marg

Lower Parel

Mumbai - 400013

Tel: 2243215244

Dear Mr. Arvind Sampath,

Re: CRISIL Rating on the Rs.6000 Crore Non-Convertible Debentures of Fullerton India Credit Company Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letters dated July 05, 2019 bearing Ref. no.: FICCL/225933/NCD/071956060

Please find in the table below the ratings outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	6000	CRISIL AAA/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

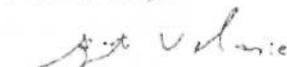
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonic
Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



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ANNEXURE B

CREDIT RATING LETTER AND RATING RATIONALE FROM ICRA

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Mr. Arvind Sampath
Head - Treasury
Fullerton India Credit Company Limited
Floor 6, B Wing, Supreme IT Park,
Supreme City, Behind Lake Castle,
Powai, Mumbai 400 076

Dear Sir,

Re: ICRA Credit Rating for the Rs. 2,000 crore Non-Convertible Debenture (NCD) Programme of Fullerton India Credit Company Limited

Please refer to the Rating Agreement dated July 11, 2019 for carrying out the rating of the aforesaid NCD Programme. The Rating Committee of ICRA, after due consideration, has assigned a **[ICRA]AAA** (pronounced as ICRA triple A) rating to the captioned NCD Programme. Instruments with this rating indicate highest degree of safety regarding timely servicing of financial obligations. The Outlook on the long-term rating is stable.

In any of your publicity material or other document wherever you are using our above rating, it should be stated as **[ICRA]AAA(Stable)**. We would request if you can sign the acknowledgement and send it to us latest by July 25, 2019 as acceptance on the assigned rating. In case you do not communicate your acceptance/non acceptance of the assigned credit rating, or do not appeal against the assigned credit rating by the aforesaid date, the credit rating will be treated by us as non accepted and shall be disclosed on ICRA's website accordingly. This is in accordance with requirements prescribed in the circular dated June 30, 2017 on '**Monitoring and Review of Ratings by Credit Rating Agencies(CRAs)**' issued by the Securities and Exchange Board of India.

Any intimation by you about the above rating to any Banker/Lending Agency/Government Authorities/Stock Exchange would constitute use of this rating by you and shall be deemed acceptance of the rating.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. ICRA reserves the right to review and/or, revise the above at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the bonds, debentures and/ or other instruments of like nature to be issued by you.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly '**No Default Statement (NDS)**' (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment



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programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

Enclosed herewith is a copy of the rationale of the assigned rating for your reference. Please respond with your comments if any within the aforesaid timeline of July 25, 2019.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards,

Yours faithfully,
For ICRA Limited


KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com


PARVATHY S
Analyst
parvathy.s@icraindia.com

July 30, 2019

Fullerton India Credit Company Limited: Rating assigned for enhanced commercial paper programme and fresh retail non-convertible debenture programme, rating withdrawn on matured non-convertible debenture programme

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper programme	3,500	4,500	[ICRA]A1+; assigned / outstanding
Retail non-convertible debenture programme	-	2,000	[ICRA]AAA(stable); assigned
Non-convertible debenture programme	640	-	[ICRA]AAA(stable); withdrawn**
Long-term bank lines	8,000	8,000	[ICRA]AAA(stable); outstanding
Issuer Rating	NA	NA	[ICRA]AAA(stable); outstanding
Non-convertible debenture programme	3,464	3,464	[ICRA]AAA(stable); outstanding
Subordinated debt programme	888	888	[ICRA]AAA(stable); outstanding
Short-term debt programme	1,000	1,000	[ICRA]A1+; outstanding
Total	17,492	19,856	

*Instrument details are provided in Annexure-1

**withdrawn due to maturity

Rationale

The ratings draw comfort from the steady support from the parent, Fullerton Financial Holdings Pte Ltd (FFH), which is a step-down subsidiary of Temasek Holdings Private Limited, in terms of capital infusion, level of involvement in the company's operations, and the strategic importance of the company in the Group's business in India. The rating also factors in the diversified product profile, its pan India presence in urban and rural markets, adequate capitalisation levels, diversified funding profile, good recovery levels, sound provisioning policy, proven risk management processes and data analytics capability. Asset quality has stabilised back to pre-demonetisation levels in FY2019, after seeing elevated credit costs over 2017-2018, due to one-time impact of demonetisation. ICRA takes note of the foray into new product segments like loan against shares and developer funding, in order to diversify the portfolio mix and increase the mix of secured assets in the book. However, the inherent risks in these businesses, especially in the current credit environment, partly outweighs the benefits of these products. ICRA will monitor the growth in the new book and risk management controls set up by the company. ICRA notes the small scale of lending in these segments at present, but these will be key monitorables going forward, as the book expands. ICRA notes the increased competition in the retail lending segment, where the company primarily operates, and the higher share of the unsecured lending business in considering its profitability prospects but recognizes that this portfolio has performed reasonably well through various macro conditions.

The rating on matured non-convertible debenture programme has been withdrawn in accordance with ICRA's policy on withdrawal and suspension, as there is no amount outstanding against the programme, and as desired by the company.

Outlook: Stable

ICRA believes FICCL will continue to benefit from its diversified product profile, its pan-India presence, adequate capitalisation levels, strong parentage, diversified funding profile, robust operating profitability, proven risk processes and data analytics capability. The outlook may be revised to a Negative if there is sharp deterioration in asset quality, material change in parentage or ownership structure.

Key rating drivers

Credit strengths

Strong parentage – FICCL is a wholly-owned subsidiary of Fullerton Financial Holding Pte Limited (FFH) which, in turn, is a wholly-owned subsidiary of Temasek Holdings, Singapore (rated Aaa/Stable by Moody's Investors Service) - fully owned by the Singapore Government. The strategic importance of the company to its parent follows from the fact that it fits in with the parent's focus on the SME and the mass market customer segments across Asia. FICCL also benefits from the parent's strong brand franchise and close association with its operations. FFH (the immediate parent) is involved in strategy, financial planning and execution in FICCL and also has three representatives in the company's Board of Directors. It provided capital infusion as and when required, as evidenced by the Rs. 800-crore infused in the last five years including the Rs. 300 crore in FY2020.

Adequate capitalisation levels – The company's capitalisation levels have remained adequate and well above regulatory requirement, mainly supported by healthy internal accruals over the last few years. During FY2019, FFH infused Rs. 150-crore into FICCL, which was further invested into its housing finance subsidiary. The company's capital adequacy ratio remains stable at 19.6% as on March 31, 2019 (Tier I of 14.2%) as compared to 18.9% as on March 31, 2018 (Tier I of 14.03%), which are much above the regulatory requirement of 15% (Tier 1 of 10%). The company's gearing has inched up to 5.3 times as on March 31, 2019 (5.1 times as on March 31, 2018). The capital infusion planned for FY2019 was of Rs. 400-450 crore in FY2019, of which Rs. 200-crore would flow into the HFC in FY2019. However, the company maintained adequate capitalization level through internal accruals and efficient capital accretive measures like pool sale. Hence, the capital infusion in FICCL was Rs. 150 crore in FY2019, which was entirely invested in the subsidiary to support its growth. ICRA notes the capital infusion of Rs. 300 crore by the parent in FICCL in July 2019, of which Rs. 200 crore was invested in the HFC. Post the recent round of equity infusion, the gearing has eased to 4.5, but is expected to mildly increase in line with controlled growth by end of the current fiscal to 5.0 - 5.5, from that of 5.3 as of March 2019. Historically, the gearing has been maintained at ~5. In ICRA's view the parent is expected to be forthcoming in infusing capital in the entity in the coming years to support its capitalisation for the growth envisaged in the coming years.

Access to a diversified funding profile – FICCL maintains a diversified lender base, low reliance on short-term funding and an adequate internal cash buffer. FICCL has a diversified funding base which includes banks, insurance companies and mutual funds, in addition ICRA also notes the wide array of debt instruments in its liability mix, which includes debentures, bank loans, commercial paper, Masala Bonds and sub-debt. FICCL is also in talks to raise funds via ECB route in the current fiscal, which would help in further diversification.

Operating profitability improves in FY2019 –Return on average assets (ROA) has improved to 3.7% in FY2019 from 2.2% in FY2018 from 1.5% in FY2017, owing to steady growth in loan book, improvement in yields with focus on rural loans and urban personal loans, stable borrowing costs and improving credit costs. The credit costs have seen an improvement

in FY2019, on account of improving asset quality, while the operating costs have streamlined due to increasing scale of operations.

Strong risk-management systems and underwriting processes – Over the years, the company has developed strong risk management systems and processes, evident through its active use of technology to understand product-level and region-level life-time profitability under stressed scenarios and its effort to proactively alter the portfolio mix. In ICRA's view, the risk management systems and processes of FICCL are adequate for its current scale of operations and future growth plans. The company follows a more stringent provisioning policy than the regulatory norms.

Credit challenges

Higher unsecured nature of lending operations makes portfolio vulnerable to economic cycles – Large proportion of unsecured loans in the portfolio (59% as of March 2019) makes the asset quality susceptible to economic cycles, owing to the less recoverability compared to secured loans, wherein the collateral can be liquidated. Although on a risk adjusted basis, the returns from these unsecured assets have performed well and supported the earnings profile. The unsecured portfolio comprises personal loans to salaried and self-employed individuals, and group and personal loans in the rural space. Over the past few years, there has been an increased focus on the secured segment with higher proportion of disbursements towards the commercial vehicle, rural mortgage and two-wheeler, resulting in an increase in the share of secured assets in the portfolio to ~41% as on March 2019 vis -à-vis ~32% as on March 2012. The recent foray into new products like loan against shares and developer funding is expected to further increase the proportion of secured loans, however the quality of the new book remains to be seen (especially as wholesale lending is a new segment for Fullerton). ICRA notes that the systems and processes laid out by the company and its investments in technology in ensuring underwriting standards and collection efficiency, has helped it maintain a steady asset quality and contain the impact of demonetisation on its portfolio. The company also has a 100% provisioning policy on its unsecured and two-wheeler loans at 120 days past due, which is more stringent than the regulatory norms.

Asset quality stabilizes to pre-demonetization levels; urban LAP NPA level remains elevated – Gross and net NPA levels stood at 2.0% and 1.0% as of March 2019, as against 2.4% and 1.4% as of March 2018. The credit strengths of the company were temporarily affected by the one-time impact of demonetisation on the asset quality of the rural portfolio. However, FICCL had taken a pre-emptive steps to provide fully for the rural loans, where delinquencies were increasing, and freeze the lending. The company saw elevated credit costs levels during 2017-2018. In FY2018, FICCL was able to recover ~58% of the written-off accounts (in FY2017), indicating a strong recovery process (especially in rural portfolio). Subsequently, the disbursements to this segment also increased. In FY2019 the collection efficiency of the rural portfolio improved to 98%, however, the urban LAP portfolio collections were lower at 86% (the primary driver for gross NPA's at the overall level). Further, asset quality of rural mortgage loans on seasoning remains to be seen.

Liquidity Position

As on June 30, 2019, FICCL has Rs. 4,462 crore of debt maturing by December 2019, against which it has cash balance, fixed deposits and liquid assets of Rs. 1,861 crore, unutilised bank lines of Rs. 895 crore and scheduled customer inflows of Rs. 4,367 crore. ICRA also notes the sanctioned ECB loan of \$250 million USD (~Rs. 1,725 crore) at drawdown stage. The liquidity buffer is adequate to meet the debt repayments falling due over the period from July 2019 to December 2019. ICRA does not foresee any liquidity risk in the near term.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Credit Rating Methodology for Non-Banking Finance Companies Impact of Parent or Group Support on an Issuer's Credit Rating
Parent/Group Support	Ultimate Parent / Investor: Temasek Holdings (Private) Limited (rated Aaa by Moody's) ICRA factors in the strategic fit and importance of FICCL for the Fullerton group, which is demonstrated in the strong capital, operational and managerial support from the parent.
Consolidation / Standalone	The ratings are based on the standalone financial statements of the issuer.

About the company

Fullerton India Credit Company Limited (FICCL) commenced its operations in January 2006, catering primarily to self-employed borrowers. It is a wholly-owned subsidiary of Fullerton Financial Holding Pte Limited (FFH)¹. FICCL's secured lending portfolio consists of mortgage loans to retail customers and small and medium enterprises (SMEs), commercial vehicle (CV) loans and secured rural loans such as two-wheeler loans, CV and mortgage loans. The unsecured portfolio comprises personal loans to salaried and self-employed individuals, and group and individual loans in the rural space. The company operates out of 626 branches. During FY2019, FICCL reported a net profit of Rs. 775 crore on a total asset base of Rs. 23,975 crore as compared to a net profit of Rs. 350 crore on a total assets of Rs. 17,377 in FY2018 (PAT of Rs. 214 crore on a total assets of Rs. 14,673 crore in FY2017).

Key financial indicators

	FY2016	FY2017	FY2018	FY2019
Net interest income	1,196	1,479	1,613	2,526
Operating income	1,288	1,577	1,724	2,659
Profit before tax	430	331	527	1,194
Profit after tax	397	214	350	775
Total portfolio	11,508	11,597	15,776	21,542
Net worth	2,076	2,504	2,731	3,652
Total assets	13,407	14,673	17,377	23,975
% Tier 1	16.1%	16.3%	14.0%	14.2%
% CRAR	21.9%	22.5%	18.8%	19.6%
Gearing	5.0	4.5	5.1	5.3
% Net profit/average total assets (annualised)	3.4%	1.5%	2.2%	3.7%
% Return on net worth	22.0%	9.4%	13.4%	24.3%
% Gross NPAs ²	2.0%	3.3%	2.4%	2.0%
% Net NPAs	1.3%	2.3%	1.4%	1.0%
Net NPA/Net worth	6.8%	10.2%	8.0%	5.7%

¹ Wholly owned subsidiary of Temasek Holdings, Singapore

² FICCL classifies NPAs at 90 dpd

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

S. No	Instrument	Current Rating (FY2020)			Chronology of Rating History for the past 3 years						
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Jul 2019	FY2019		FY2018			FY2017
					Oct 2018	Sep 2018	Aug 2018	Mar 2018	Nov 2017	Oct 2016	
1	Commercial Paper Programme	Short Term	4,500	NA	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +
2	Retail non-Convertible Debenture	Long Term	2,000	-	[ICRA]AA A (stable)	-	-	-	-	-	-
3	Non-Convertible Debenture	Long Term	640	-	[ICRA]AA A (stable); withdrawal	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA + (stable)	[ICRA]AA + (stable)	[ICRA]AA A+ (stable)
4	Non-Convertible Debenture	Long Term	3,464	3,170	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA + (stable)	[ICRA]AA + (stable)	[ICRA]AA A+ (stable)
5	Issuer Rating	Long Term	NA	NA	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA + (stable)	[ICRA]AA + (stable)	[ICRA]AA A+ (stable)
6	Long Term Bank Lines	Long Term	8,000	6,960	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA + (stable)	[ICRA]AA + (stable)	[ICRA]AA A+ (stable)
7	Subordinated Debt Programme	Long Term	888	388	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA A (stable)	[ICRA]AA + (stable)	[ICRA]AA + (stable)	[ICRA]AA A+ (stable)
8	Short Term Debt Programme	Short Term	1,000	NA	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +	[ICRA]A1 +

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE535H07282	Non-Convertible Debenture	29-Apr-13	10.60%	28-Apr-23	75	[ICRA] AAA(stable)
INE535H07308	Non-Convertible Debenture	22-May-13	9.85%	22-May-23	40	[ICRA] AAA(stable)
INE535H07357	Non-Convertible Debenture	5-Nov-13	10.45%	3-Nov-23	25	[ICRA] AAA(stable)
INE535H07373	Non-Convertible Debenture	10-Dec-13	11.00%	10-Dec-18	50	[ICRA] AAA(stable); withdrawn
INE535H07381	Non-Convertible Debenture	6-Jan-14	10.90%	7-Jan-19	50	[ICRA] AAA(stable); withdrawn
INE535H07431	Non-Convertible Debenture	24-Jun-14	9.90%	24-Jun-19	150	[ICRA] AAA(stable); withdrawn
INE535H07449	Non-Convertible Debenture	14-Oct-14	9.85%	14-Apr-20	60	[ICRA] AAA(stable)
INE535H07456	Non-Convertible Debenture	14-Oct-14	10.00%	30-Dec-21	90	[ICRA] AAA(stable)
INE535H07589	Non-Convertible Debenture	18-May-15	9.10%	28-May-19	150	[ICRA] AAA(stable); withdrawn
INE535H07597	Non-Convertible Debenture	21-May-15	9.20%	28-May-21	150	[ICRA] AAA(stable)
INE535H07746	Non-Convertible Debenture	17-Dec-15	8.95%	17-Dec-18	15	[ICRA] AAA(stable); withdrawn
INE535H07704	Non-Convertible Debenture	19-Nov-15	9.05%	28-Nov-20	150	[ICRA] AAA(stable)
INE535H07738	Non-Convertible Debenture	15-Dec-15	IDFC MCLR rate (8.90%)	15-Dec-20	100	[ICRA] AAA(stable); withdrawn
INE535H07738	Non-Convertible Debenture	15-Dec-15	IDFC MCLR rate (8.90%)	15-Dec-20	300	[ICRA] AAA(stable)
INE535H07753	Non-Convertible Debenture	30-Dec-15	9.05%	30-Dec-20	150	[ICRA] AAA(stable)
INE535H07837	Non-Convertible Debenture	13-May-16	8.90%	17-Sep-18	125	[ICRA] AAA(stable); withdrawn
INE535H07902	Non-Convertible Debenture	2-Aug-16	8.35%	2-Aug-19	150	[ICRA] AAA(stable)
INE535H07951	Non-Convertible Debenture	30-Mar-17	8.00%	30-Apr-20	125	[ICRA] AAA(stable)
INE535H07985	Non-Convertible Debenture	13-Oct-17	8.00%	13-Apr-21	80	[ICRA] AAA(stable)
INE535H07AA9	Non-Convertible Debenture	13-Nov-17	7.65%	20-Dec-19	25	[ICRA] AAA(stable)
INE535H07AL6	Non-Convertible Debenture	21-Jun-18	8.85%	22-Jul-21	500	[ICRA] AAA(stable)
INE535H07AV5	Non-Convertible Debenture	11-Jan-19	9.20%	9-Jul-21	500	[ICRA] AAA(stable)
INE535H07AW3	Non-Convertible Debenture	31-Jan-19	9.30%	31-Jan-22	750	[ICRA] AAA(stable)

NA	Non-Convertible Debenture*	-	-	-	294	[ICRA] AAA(stable)
INE535H08520	Subordinated Debt	14-Sep-12	11.40%	14-Sep-22	48	[ICRA] AAA(stable)
INE535H08546	Subordinated Debt	28-Sep-12	11.40%	28-Sep-22	40	[ICRA] AAA(stable)
INE535H08553	Subordinated Debt	30-Oct-12	11.40%	28-Oct-22	50	[ICRA] AAA(stable)
INE535H08579	Subordinated Debt	28-Oct-13	10.50%	27-Oct-23	50	[ICRA] AAA(stable)
INE535H08587	Subordinated Debt	26-Dec-14	9.60%	26-Dec-24	50	[ICRA] AAA(stable)
INE535H08637	Subordinated Debt	13-Oct-15	9.50%	13-Oct-25	100	[ICRA] AAA(stable)
INE535H08645	Subordinated Debt	13-Oct-15	9.40%	13-Oct-22	50	[ICRA] AAA(stable)
NA	Subordinated Debt*	-	-	-	500	[ICRA] AAA(stable)
NA	Long Term Bank Lines	2014-2015	-	2023-2024	6,960	[ICRA] AAA(stable)
NA	Long Term Bank Lines*	-	-	-	1,040	[ICRA] AAA(stable)
NA	Issuer Rating	NA	NA	NA	NA	[ICRA] AAA(stable)
NA	Short Term Debt Programme	-	-	7-365 days	1,000	[ICRA]A1+
NA	Commercial Paper Programme	-	-	7-365 days	4,500	[ICRA]A1+
NA	Retail non-convertible debenture programme	-	-	-	2,000	[ICRA] AAA(stable)

*Proposed; Source: Company

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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CONFIDENTIAL

Ref: 2019-20/MUMR/0539
August 30, 2019

Mr. Arvind Sampath
Head - Treasury
Fullerton India Credit Company Limited
Ground Floor, Tradepoint Building,
Kamala Mills, Lower Parel,
Mumbai - 400 013
Maharashtra

Dear Sir,

Re: ICRA Credit Rating for Rs. 2,000 crore Retail Non-Convertible Debenture Programme of Fullerton India Credit Company Limited

This is with reference to your email dated August 29, 2019 for re-validating the rating for the retail non-convertible debenture programme of Rs.2,000 crore.

We hereby confirm that the "[ICRA]AAA" rating with a **Stable outlook** assigned to the captioned programme of your company and last communicated to you vide our letter dated July 22, 2019 stands. Instruments with [ICRA]AAA rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: 2019-20/MUM/0849 dated July 22, 2019.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours faithfully,
For ICRA Limited



KARTHIK SRINIVASAN
Senior Vice President
karthiks@icraindia.com



PARVATHY S
Analyst
parvathy.s@icraindia.com

ANNEXURE C

CONSENT LETTER FROM DEBENTURE TRUSTEE

The remainder of this page has intentionally been left blank.

CL/PUN/19-20/DEB/14

25th July 2019

Fullerton India Credit Company Limited
Supreme Business Park, Floor 5 & 6, B Wing,
Supreme IT Park, Supreme City,
Powai, Mumbai – 400 076.

Dear Ma'am/Sir

Sub: Proposed public issue of secured, redeemable, non-convertible debentures ("NCDs") aggregating upto Rs. 2000 Crores (Rupees Two Thousand Crores only) ("Issue") by Fullerton India Credit Company Limited ("Company")

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the BSE Limited and National Stock Exchange of India Limited ("**Stock Exchange**") and to Securities and Exchange Board of India ("**SEBI**") and the Shelf Prospectus and Tranche Prospectus(es) to be filed with the Registrar of Companies, Chennai ("**RoC**"), Stock Exchange and to SEBI in respect of the Issue and also in all related advertisements and communications sent pursuant to the Issue. The following details with respect to us may be disclosed:

Name: Catalyst Trusteeship Ltd.

Address: GDA House, First Floor, Plot No. 85 S. No. 94 & 95, Bhusari Colony (Right), Kothrud
Pune MH 411038

Tel: 020-25280081

Fax: 020-25280275

Email: dt@ctltrustee.com

Website: www.catalysttrustee.com

Contact Person: Compliance Officer

SEBI Registration No: IND0000000034

We confirm that we are registered with the SEBI and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate enclosed herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI to act as an intermediary in capital market issues.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the Company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.





We confirm that we will immediately inform you and the Lead Manager of any change to the above information until the date when the NCDs commence trading on the Stock Exchange. In the absence of any such communication from us, the above information should be taken as updated information until the NCDs commence trading.

This letter may be relied upon by you, the Lead Manager and the legal advisors to the Issue in respect of the Issue.

Sincerely

For **CATALYST TRUSTEESHIP LTD**

A handwritten signature in blue ink, appearing to read 'A. Bende'.

Name: Anurag Bende

Designation: Chief Manager

CC:

(i) **The Lead Managers**

(ii) **Khaitan & Co**

One Indiabulls Centre
13th Floor, Tower 1,
Senapati Bapat Marg,
Mumbai 400 013
Maharashtra, India

डिबेंचर न्यासी

FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA
 (डिबेंचर न्यासी) विनियम, 1993
 (DEBENTURE TRUSTEE) REGULATIONS, 1993

000 25B

(विनियम 8)

(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION PERMANENT REGISTRATION

- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित इस 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

CATALYST TRUSTEESHIP LIMITED
 GDA HOUSE, PLOT NO. 85,
 BHUSARI COLONY (RIGHT), PAUD ROAD
 PUNE - 411 038
 MAHARASHTRA

को नियमों में, शर्तों के अधीन रखते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान किया है।
 as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

- 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कोड है।
 2) Registration Code for the debenture trustee is **IND000000034**
- 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र वैध है।
 3) Unless renewed, the certificate of registration is valid from to

3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board.



आदेश से
 भारतीय प्रतिभूति और विनियम 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 : **JULY 29, 2016**

MJ Sonparote
MEDHA SONPAROTE
 प्राधिकृत हस्ताक्षरकर्ता / Authorised Signatory

TRUE COPY

This certificate is valid as on date.

For Catalyst Trusteeship Limited

A. H. Gunde
Authorised Signatory



Annexure B

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1.	Registration Number	IND0000000034
2.	Date of registration / Renewal of registration	July 29, 2016
3.	Date of expiry of registration	Permanent Registration
4.	If applied for renewal, date of application	NA
5.	Any communication from SEBI prohibiting the entity from acting as an intermediary	NIL
6.	Any enquiry/ investigation being conducted by SEBI	NIL
7.	Details of any penalty imposed by SEBI	NIL