PROSPECTUS
JULY 28, 2018
Please read Section 32 of the Companies Act, 2013
Book Built Offer

THIS PROSPECTUS IS NOT AN ADVERTISEMENT UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (MUTUAL FUNDS) REGULATIONS, 1996 (“**SEBI MUTUAL FUND REGULATIONS**”) AND IS NOT INTENDED TO INFLUENCE INVESTMENT DECISIONS OF ANY CURRENT OR PROSPECTIVE INVESTORS OF SCHEMES OF HDFC MUTUAL FUND

HDFC ASSET MANAGEMENT COMPANY LIMITED

Our Company was incorporated at Mumbai on December 10, 1999 as “HDFC Asset Management Company Limited”, a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the Registrar of Companies, Maharashtra (“**RoC**”). Our Company obtained a certificate for commencement of business on March 9, 2000 from the RoC.

Registered and Corporate Office: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020, Maharashtra, India.
For details of changes to the address of the registered office of our Company, please see “*History and Certain Corporate Matters*” on page 210 of this Prospectus.
Telephone: +91 (22) 6631 6333; **Facsimile**: +91 (22) 6658 0203; **Contact Person**: Sylvia Furtado, Company Secretary and Compliance Officer;
Email: shareholders.relations@hdfcfund.com; **Website**: www.hdfcfund.com;
Corporate Identity Number: U65991MH1999PLC123027

PROMOTERS OF OUR COMPANY: HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED AND STANDARD LIFE INVESTMENTS LIMITED

INITIAL PUBLIC OFFERING OF 25,457,555 EQUITY SHARES^ OF FACE VALUE OF ₹ 5 EACH (“EQUITY SHARES”) OF HDFC ASSET MANAGEMENT COMPANY LIMITED (“COMPANY” OR “ISSUER”) FOR CASH AT A PRICE OF ₹ 1,100 PER EQUITY SHARE, AGGREGATING ₹ 28,003.31 MILLION^ THROUGH AN OFFER FOR SALE OF 8,592,970 EQUITY SHARES^ BY HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED AND 16,864,585 EQUITY SHARES^ BY STANDARD LIFE INVESTMENTS LIMITED (TOGETHER, “PROMOTER SELLING SHAREHOLDERS” AND SUCH OFFERING, THE “OFFER”). THE OFFER COMPRISES A NET OFFER TO THE PUBLIC OF 22,177,555 EQUITY SHARES^ (“NET OFFER”), A RESERVATION OF 320,000 EQUITY SHARES^ (CONSTITUTING 0.15% OF OUR POST-OFFER PAID UP EQUITY SHARE CAPITAL) FOR PURCHASE BY THE ELIGIBLE HDFC AMC EMPLOYEES (AS DEFINED IN “DEFINITIONS AND ABBREVIATIONS”) FOR CASH AT A PRICE OF ₹ 1,100 PER EQUITY SHARE AGGREGATING ₹ 352.00 MILLION^ (“HDFC AMC EMPLOYEE RESERVATION PORTION”), A RESERVATION OF 560,000 EQUITY SHARES^ (CONSTITUTING 0.26% OF OUR POST-OFFER PAID UP EQUITY SHARE CAPITAL) FOR PURCHASE BY THE ELIGIBLE HDFC EMPLOYEES (AS DEFINED IN “DEFINITIONS AND ABBREVIATIONS”) FOR CASH AT A PRICE OF ₹ 1,100 PER EQUITY SHARE AGGREGATING ₹ 616.00 MILLION^ (“HDFC EMPLOYEE RESERVATION PORTION”) AND A RESERVATION OF 2,400,000 EQUITY SHARES^ (CONSTITUTING 1.13% OF OUR POST-OFFER PAID UP EQUITY SHARE CAPITAL) FOR PURCHASE BY ELIGIBLE HDFC SHAREHOLDERS (AS DEFINED IN “DEFINITIONS AND ABBREVIATIONS”) FOR CASH AT A PRICE OF ₹ 1,100 PER EQUITY SHARE AGGREGATING ₹ 2,640.00 MILLION^ (“HDFC SHAREHOLDERS RESERVATION PORTION”). THE OFFER AND THE NET OFFER SHALL CONSTITUTE 12.01% AND 10.46% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY. THE ANCHOR INVESTOR OFFER PRICE IS ₹ 1,100 PER EQUITY SHARE.

^Subject to finalisation of Basis of Allotment

In terms of Rule 19(2)(b) of the Securities Contracts Regulations Rules, 1957, as amended (the “**SCRR**”) read with Regulation 41 of the ICDR Regulations, this is an Offer for at least 10% of the post-Offer paid-up Equity Share capital of our Company, such that the post-Offer paid up Equity Share capital of our Company calculated at the Offer Price, is more than ₹40 billion. The Offer was made through the Book Building Process and in accordance with Regulation 26(1) of the ICDR Regulations, wherein not more than 50% of the Net Offer was allocated on a proportionate basis to Qualified Institutional Buyers (“**QIBs**”), provided that our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis, of which one-third was reserved for domestic Mutual Funds, subject to valid Bids received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer was available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer was available for allocation on a proportionate basis to Retail Individual Investors, in accordance with the ICDR Regulations, subject to valid Bids received at or above the Offer Price. All Bidders, other than Anchor Investors, were required to mandatorily utilise the Application Supported by Blocked Amount (“**ASBA**”) process providing details of their respective bank accounts which were blocked by the Self Certified Syndicate Banks (“**SCSBs**”), to participate in this Offer. Anchor Investors were not permitted to participate in the Offer through the ASBA process. For details, please see “*Offer Procedure*” on page 424 of this Prospectus.

RISKS IN RELATION TO FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹5 each. The Offer Price is 220 times the face value of the Equity Shares.. The Offer Price (as has been determined and justified by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, as stated in the section “*Basis for Offer Price*” on page 122 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and / or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity-related securities involves a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“**SEBI**”), nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the Bidders is invited to the section “*Risk Factors*” on page 19 of this Prospectus.

COMPANY’S AND THE PROMOTER SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Promoter Selling Shareholders, severally and not jointly, accepts responsibility only for, and confirms only the statements made by such Promoter Selling Shareholder in this Prospectus as a Promoter Selling Shareholder in the context of the Offer and the Equity Shares offered by such Promoter Selling Shareholder in the Offer and that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company received “in-principle” approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters dated March 27, 2018 and April 4, 2018, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A copy of the Red Herring Prospectus has been, and this Prospectus shall be, delivered to the RoC for registration in accordance with the Companies Act, 2013. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Offer Closing Date, please see “*Material Contracts and Documents for Inspection*” on page 523 of this Prospectus.

BOOK RUNNING LEAD MANAGERS

Kotak Mahindra Capital Company Limited 27 BKC, 1st Floor, Plot No. C – 27, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India. Telephone: +91 (22) 4336 0000 Facsimile: +91 (22) 6713 2447 Email: hdfcamc.ipo@kotak.com Website: http://investmentbank.kotak.com Investor Grievance ID: kmccredressal@kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	**Axis Capital Limited** 1st Floor, Axis House C 2 Wadia International Centre P. B. Marg, Worli Mumbai 400 025, Maharashtra, India Telephone: +91 (22) 4325 2183 Facsimile: +91 (22) 4325 3000 Email: hdfcamc.ipo@axiscap.in Investor Grievance ID: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Mangesh Ghogle SEBI Registration No.: INM000012029	**DSP Merrill Lynch Limited** Ground Floor, A Wing, One BKC, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Maharashtra, India. Telephone: +91 (22) 6632 8000 Facsimile: +91 (22) 6776 2343 Email: dg.hdfcamc_ipo@baml.com Website: http://www.ml-india.com/ Investor Grievance ID: dg.india_merchantbanking@baml.com Contact Person: Soham H. Bhattbhatt SEBI Registration No.: INM000011625	**Citigroup Global Markets India Private Limited** 1202, 12th Floor, First International Financial Centre, G-Block, Bandra Kurla Complex, Bandra East, Mumbai 400 098 Maharashtra, India Telephone: + 91 (22) 6175 9999 Facsimile: + 91 (22) 6175 9898 Email: hdfc.amc.ipo@citi.com Website: www.online.citibank.co.in/rhtm/ citigroupglobalscreen1.htm Investor Grievance ID: investors.cgmib@citi.com Contact Person: Ashish Guneta SEBI Registration No.: INM000010718	**CLSA India Private Limited** 8 / F Dalamal House Nariman Point Mumbai 400 021 Maharashtra, India Tel: +91 22 6650 5050 Fax: +91 22 2285 6524 E-mail: hdfcamc.ipo@clsa.com Investor Grievance ID: investor.helpdesk@clsa.com Website: www.india.clsa.com Contact Person: Sarfaraz Agboatwala SEBI Registration No.: INM000010619	**HDFC Bank Limited#** Investment Banking Group, Unit No. 401 & 402, 4th Floor, Tower B, Peninsula Business Park, Lower Parel Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 3395 8021 Facsimile: +91 (22) 3078 8584 Email: hdfcamc.ipo@hdfcbank.com Website: www.hdfcbank.com Investor Grievance ID: investor.redressal@hdfcbank.com Contact Person: Rakesh Bhunatar / Sakshi Jain SEBI Registration No.: INM000011252

BOOK RUNNING LEAD MANAGERS						REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Center, H T Parekh Marg, Churchgate, Mumbai 400 020, Maharashtra, India Telephone: +91 (22) 2288 2460/ 70 Facsimile: +91 (22) 2282 6580 Email: hdfcmf.ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance ID: customercare@icicisecurities.com Contact Person: Rishi Tiwari/ Shekher Asnani SEBI Registration No.: MB/INM000011179	**IIFL Holdings Limited** 10th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, Maharashtra, India. Telephone: +91 (22) 4646 4600 Facsimile: +91 (22) 2493 1073 Email: hdfcamc.ipo@iiflcap.com Website: www.iiflcap.com Investor Grievance ID: ig.ib@iiflcap.com Contact Person: Devendra Maydeo/ Pranay Doshi SEBI Registration No.: INM000010940	**JM Financial Limited** 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025, Maharashtra, India Telephone: +91 (22) 6630 3030 Facsimile: +91 (22) 6630 3330 Email: HDFCAMC.IPO@jmfl.com Website: www.jmfl.com Investor Grievance ID: grievance.ibd@jmfl.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361	**J.P. Morgan India Private Limited** J.P. Morgan Tower Off CST Road, Kalina Santacruz (East), Mumbai 400 098 Maharashtra, India Telephone: +91 (22) 6157 3000 Facsimile: +91 (22) 6157 3911 Email: hdfcamc_ipo@jpmorgan.com Website: www.jpmipl.com Investor Grievance ID: investorsmb.jpmipl@jpmorgan.com Contact Person: Saarthak K Soni SEBI Registration No.: INM000002970	**Morgan Stanley India Company Private Limited** 18F, Tower 2, One Indiabulls Centre, 841, Senapati Bapat Marg, Lower Parel Mumbai – 400 013 Maharashtra, India Telephone: +91 (22) 6118 1000 Facsimile: +91 (22) 6118 1040 Email: hdfcamcipo@morganstanley.com Website: https://www.morganstanley.com/pub/content/msdotcom/en/about-us/global-offices/asia-pacific/india Investor Grievance ID: investors_india@morganstanley.com Contact Person: Satyam Singhal SEBI Registration No.: INM000011203	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Marg, Worli Mumbai – 400 018 Maharashtra, India Telephone: +91 (22) 4037 4037 Facsimile: +91 (22) 4037 4111 Email: hdfcamcipo@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.html Investor Grievance ID: investorgrievances-in@nomura.com Contact Person: Sandeep Baid / Srishti Tyagi SEBI Registration No.: INM000011419	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032, India. Telephone: +91 (40) 6716 2222 Facsimile: +91 (40) 2343 1551 Email: einward.ris@karvy.com Website: www.karisma.karvy.com Investor Grievance ID: hdfcamc.ipo@karvy.com Contact Person: M Murali Krishna SEBI Registration No. INR000000221

OFFER PROGRAMME

FOR ALL BIDDERS, OFFER OPENED ON*	**July 25, 2018**
OFFER CLOSED ON	**July 27, 2018**

**. The Anchor Investor Bidding Date was on July 24, 2018.*

#In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the ICDR Regulations, HDFC Bank Limited is involved as a merchant banker only in marketing of the Offer

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise implies or requires, the terms and abbreviations stated hereunder shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto as of the date of this Prospectus.

Company and Promoter Selling Shareholders' related terms

Term	Description
"Company", "our Company", "HDFC AMC" or "Issuer" "we", "us", or "our"	HDFC Asset Management Company Limited, a company incorporated under the Companies Act, 1956 and having its registered and corporate office at HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020
"Articles" or "Articles of Association"	The articles of association of our Company, as amended
"Auditor" or "Statutory Auditor"	The statutory auditor of our Company, being B S R & Co. LLP, Chartered Accountants
"Audit Committee"	The audit committee of our Board, as described in "*Our Management*" on page 230 of this Prospectus
"Board" or "Board of Directors"	The board of directors of our Company, including any committees thereof
"Chief Financial Officer"	The chief financial officer of our Company, Piyush Surana
"Compliance Officer"	The compliance officer of our Company for the purposes of the Offer, Sylvia Furtado
"CSR Committee"	The corporate social responsibility committee of our Board, as described in "*Our Management*" on page 234 of this Prospectus
"Director(s)"	Director(s) on the Board of our Company
"Equity Shares"	Unless the context otherwise requires, refers to equity shares of our Company of face value of ₹ 5 each
"ESOS 2008 – Series I"	Employee Stock Option Scheme, 2008 Series I
"ESOS 2008 – Series II"	Employee Stock Option Scheme, 2008 Series II
"ESOS 2009 – Series I"	Employee Stock Option Scheme, 2009 Series I
"ESOS 2012 – Series I"	Employee Stock Option Scheme, 2012 Series I
"ESOS 2012 – Series II"	Employee Stock Option Scheme, 2012 Series II
"ESOS 2013 – Series I"	Employee Stock Option Scheme, 2013 Series I
"ESOS 2015 – Series I"	Employee Stock Option Scheme, 2015 Series I
"ESOS 2015 – Series II"	Employee Stock Option Scheme, 2015 Series II
"ESOS 2015 – Series III"	Employee Stock Option Scheme, 2015 Series III
"ESOS 2017 – Series I"	Employee Stock Option Scheme, 2017 Series I
"ESOS 2017 – Series II"	Employee Stock Option Scheme, 2017 Series II
"ESOS Scheme(s)"	ESOS 2008 – Series I, ESOS 2008 – Series II, ESOS 2009 – Series I, ESOS 2012 – Series I, ESOS 2012 – Series II, ESOS 2013 – Series I, ESOS 2015 – Series I, ESOS 2015 – Series II, ESOS 2015 – Series III, ESOS 2017 – Series I and ESOS 2017 – Series II collectively
"Executive Director"	An executive director of our Company
"Group Companies"	Such companies as covered under the applicable accounting standards and also other companies as considered material by our Board pursuant to a policy on materiality of group companies approved by our Board on February 28, 2018 and as disclosed in "*Our Promoters, Promoter Group and Group Companies*" on page 248 of this Prospectus
"HDFC"	Housing Development Finance Corporation Limited
"HDFC Life"	HDFC Standard Life Insurance Company Limited
"Independent Director"	A non-executive, independent director of our Company appointed as per the Companies Act, 2013, the Listing Regulations and the SEBI Mutual Fund Regulations
"Inter-se Agreement"	The inter-se agreement dated March 13, 2018 between HDFC and Standard Life Investments
"IPO Committee"	The IPO committee of our Board constituted pursuant to a resolution dated November 30, 2017
"Joint Participation Agreement"	The erstwhile joint participation agreement between HDFC and Standard Life Investments dated October 29, 1999

Term	Description
"KMP" or "Key Management Personnel"	Key management personnel of our Company in terms of the ICDR Regulations, as disclosed in "*Our Management*" on page 235 of this Prospectus
"MD" or "Managing Director"	The managing director of our Company, Milind Barve
"Memorandum" or "Memorandum of Association"	The memorandum of association of our Company, as amended
"Nomination & Remuneration Committee"	The nomination & remuneration committee of our Board, as described in "*Our Management*" on page 232 of this Prospectus
"Nominee Director"	Non-Executive Directors of our Company appointed on our Board, pursuant to the Shareholders' Agreement and post listing, the Articles and the Inter-se Agreement
"Non-Executive Director"	A Director not being an Executive Director
"Promoters"	The promoters of our Company, namely, HDFC and Standard Life Investments
"Promoter Group"	Such persons and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(zb) of the ICDR Regulations
"Registered and Corporate Office"	The registered and corporate office of our Company located at HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra situated at 100 Everest, Marine Drive, Mumbai 400 002
"Restated Financial Information"	The restated financial information of our Company as of, and for, Fiscals 2014, 2015, 2016, 2017 and 2018 prepared in accordance with Companies Act and restated in accordance with the requirements of the ICDR Regulations
"Shareholder(s)"	Equity shareholders of our Company, from time to time
"Shareholders Agreement 2001"	The erstwhile shareholders' agreement between HDFC and Standard Life Investments dated October 17, 2001
"Shareholders' Agreement" or "SHA"	Shareholders' agreement entered into between HDFC and the Standard Life Investments on June 10, 2003, as amended by letters dated October 8, 2007
"Stakeholders Relationship Committee"	The stakeholders relationship committee of our Board, as described in "*Our Management*" on page 233 of this Prospectus
"Standard Life Investments" or "SLI"	Standard Life Investments Limited
"Termination Agreement"	The termination agreement dated March 13, 2018 between HDFC and Standard Life Investments

Offer Related Terms

Term	Description
"Acknowledgement Slip"	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
"Allot", "Allotment" or "Allotted"	Unless the context otherwise requires, the transfer of Equity Shares to successful Bidders by the Promoter Selling Shareholders pursuant to the Offer
"Allotment Advice"	A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
"Allottee"	A successful Bidder to whom the Equity Shares are Allotted
"Anchor Investor"	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified under the ICDR Regulations and the Red Herring Prospectus
"Anchor Investor Allocation Price"	₹ 1,100 per Equity Share being, the price at which Equity Shares were allocated to the Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which was decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs
"Anchor Investor Bidding Date"	July 24, 2018
"Anchor Investor Form"	The form used by an Anchor Investor to Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus
"Anchor Investor Offer Price"	₹1,100 per Equity Share, which was decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs
"Anchor Investor Portion"	Up to 60% of the QIB Portion, which was available for allocation by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the ICDR Regulations, out of which one third was reserved for domestic Mutual Funds, subject to valid Bids received from domestic Mutual Funds at or above the Anchor Investor

Term	Description
	Allocation Price
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account
"ASBA Account"	A bank account maintained with an SCSB and specified in the ASBA Form submitted by an ASBA Bidder, which was blocked by such SCSB to the extent of the Bid Amount specified in the ASBA Form
"ASBA Bidder"	All bidders except Anchor Investors
"ASBA Form"	An application form, whether physical or electronic, used by ASBA Bidders which was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus
"Axis"	Axis Capital Limited
"Banker(s) to the Offer"	The Escrow Collection Banks, Public Offer Account Banks and Refund Banks, collectively
"Basis of Allotment"	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure – Allotment Procedure and Basis of Allotment*" on page 464 of this Prospectus
"Bid"	An indication to make an offer during the Offer Period by an ASBA Bidder, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of a Bid cum Application Form, to purchase, the Equity Shares at a price within the Price Band, including all revisions thereto as permitted under the ICDR Regulations, and the term "Bidding" shall be construed accordingly
"Bid Amount"	In relation to each Bid, the highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder, or blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of the Bid in the Offer
"Bid cum Application Form"	Anchor Investor Form or the ASBA Form, as the context requires
"Bid Lot"	13 Equity Shares
"Bidder"	Any prospective investor who made a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
"Bidding Centres"	Centres at which the Designated Intermediaries accepted the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
"Book Building Process"	The book building process as described in Part A, Schedule XI of the ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Manager(s)" or BRLM(s)" or "Managers"	The book running lead managers being KMCC, Axis, Citi, CLSA, DSP, HDFC Bank, I-Sec, IIFL, JM, JP Morgan, MS and Nomura
"Broker Centre"	Broker centres notified by the Stock Exchanges where ASBA Bidders have submitted the ASBA Forms to Registered Brokers and details of which, along with the names and contact details of the Registered Broker are available on the websites of the respective Stock Exchanges as below: www.bseindia.com and www.nseindia.com
"CAN" or "Confirmation of Allocation Note"	The note or advice or intimation of allocation sent to Anchor Investors who have been allocated Equity Shares after the Anchor Investor Bidding Date
"Cap Price"	The higher end of the Price Band, i.e. ₹ 1,100, above which no Bid was accepted
"Cash Escrow Agreement"	The agreement dated June 27, 2018 entered into amongst our Company, the Registrar to the Offer, the BRLMs, the Promoter Selling Shareholders, the Syndicate Members, the Escrow Collection Bank(s), the Public Offer Account Bank(s), and the Refund Bank(s) for, amongst other things, collection of the Bid Amounts from Anchor Investors and where applicable, refunds of the amounts collected on the terms and conditions thereof
"Client ID"	Client identification number maintained with one of the Depositories in relation to the demat account
"Citi"	Citigroup Global Markets India Private Limited
"CLSA"	CLSA India Private Limited
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
"Cut-off Price"	The Offer Price, i.e. ₹1,100 per Equity Share as finalised by our Company and the Promoter Selling Shareholders in consultation with the BRLMs Only Retail Individual Investors, Eligible HDFC AMC Employees Bidding under the HDFC AMC Employee Reservation Portion, Eligible HDFC Employees Bidding under the HDFC Employee Reservation Portion and Eligible HDFC Shareholders Bidding under the HDFC Shareholders Reservation Portion were entitled to Bid at the Cut-off Price
"Demographic	The demographic details of the Bidders such as their respective addresses, occupation, PAN, name of

Term	Description
Details”	the Bidder’s father/ husband, investor status, MICR Code and bank account details
“Designated Branches”	Such branches of the SCSBs which collected the ASBA Forms, a list of which is available on the website of the SEBI at (www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognized-Intermediaries) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
“Designated CDP Locations”	Such locations of the CDPs where ASBA Bidders could submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
“Designated Date”	The date, after approval of the Basis of Allotment by the Designated Stock Exchanges, on which instructions for transfer of funds from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the transfer of funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, are provided after this Prospectus is registered with the RoC
“Designated Intermediaries”	The members of the Syndicate, Sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders, in relation to the Offer
“Designated RTA Locations”	Such locations of the RTAs where ASBA Bidders could submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
“Designated Stock Exchange”	NSE
“Draft Red Herring Prospectus” or “DRHP”	The draft red herring prospectus dated March 14, 2018 issued in accordance with the ICDR Regulations, which did not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer
“DSP”	DSP Merill Lynch Limited
“Eligible FPIs”	FPIs from such jurisdictions outside India where it was not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constituted an invitation to purchase the Equity Shares offered thereby
“Eligible HDFC AMC Employee(s)”	A permanent and full time employee of our Company as of the date of registering the Red Herring Prospectus with the RoC, and who continued to be an employee of our Company at the time of submission of the Bid cum Application Form (excluding such employees who were not eligible to invest in the Offer under applicable laws) The maximum Bid Amount under the HDFC AMC Employee Reservation Portion by an Eligible HDFC AMC Employee could not exceed ₹ 500,000. However, the initial Allotment to an Eligible HDFC AMC Employee in the HDFC AMC Employee Reservation Portion could not exceed ₹ 200,000. Only in the event of an under-subscription in the HDFC AMC Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible HDFC AMC Employees Bidding in the HDFC AMC Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible HDFC AMC Employee not exceeding ₹ 500,000
“Eligible HDFC Employees”	A permanent and full time employee of HDFC, as of the date of registering the Red Herring Prospectus with the RoC, and who continued to be an employee of HDFC at the time of submission of the Bid cum Application Form (excluding such employees who were not eligible to invest in the Offer under applicable laws) The maximum Bid Amount under the HDFC Employee Reservation Portion by an Eligible HDFC Employee could not exceed ₹ 500,000. However, the initial Allotment to an Eligible HDFC Employee in the HDFC Employee Reservation Portion could not exceed ₹ 200,000. Only in the event of an under-subscription in the HDFC Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible HDFC Employees Bidding in the HDFC Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible HDFC Employee not exceeding ₹ 500,000
“Eligible HDFC Shareholders”	Individuals and HUFs who were the public equity shareholders of HDFC, one of our Promoters and Group Companies (excluding such persons who are not eligible to invest in the Offer under applicable laws) as on the date of the Draft Red Herring Prospectus, i.e, March 14, 2018. The maximum Bid Amount under the HDFC Shareholders Reservation Portion by an Eligible HDFC Shareholder could not exceed ₹ 200,000
“Eligible NRIs”	NRIs from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares offered thereby
“Escrow Account(s)”	Accounts opened with the Escrow Collection Bank(s) in whose favour Anchor Investors transferred money through direct credit/ NECS/ NEFT/ RTGS in respect of Bid Amounts when submitting a Bid
“Escrow Collection Bank(s)”	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Escrow Account(s) are opened, being HDFC Bank

Term	Description
"First Bidder"	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
"Floor Price"	The lower end of the Price Band, i.e., ₹ 1,095 subject to any revisions thereto, at or above which the Offer Price and the Anchor Investor Offer Price was finalised and below which no Bid was accepted
"General Information Document" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI, suitably modified and included in "*Offer Procedure*" on page 424 of this Prospectus
"HDFC Bank"	HDFC Bank Limited
"HDFC AMC Employee Reservation Portion"	Portion of the Offer, being up to 320,000 Equity Shares, aggregating to ₹ 352.00 million^, available for allocation to Eligible HDFC AMC Employees, on a proportionate basis *^Subject to fnalisation of Basis of Allotment*
"HDFC Employee Reservation Portion"	Portion of the Offer, being up to 560,000 Equity Shares aggregating to ₹ 616.00 million^, available for allocation to Eligible HDFC Employees, on a proportionate basis *^Subject to fnalisation of Basis of Allotment*
"HDFC Shareholders Reservation Portion"	Portion of the Offer being up to 2,400,000 Equity Shares aggregating to ₹ 2,640.00 million^ available for allocation to Eligible HDFC Shareholders, on a proportionate basis *^Subject to fnalisation of Basis of Allotment*
"IIFL"	IIFL Holdings Limited
"I-Sec"	ICICI Securities Limited
"JM"	JM Financial Limited
"JP Morgan"	J. P. Morgan India Private Limited
"KMCC"	Kotak Mahindra Capital Company Limited
"Maximum RII Allottees"	Maximum number of Retail Individual Investors who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot
"Mutual Fund Portion"	5% of the QIB Portion (other than Anchor Investor Portion) available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
"MS"	Morgan Stanley India Company Private Limited
"Net Offer"	Offer less the HDFC AMC Employee Reservation Portion, the HDFC Employee Reservation Portion and the HDFC Shareholders Reservation Portion
"Nomura"	Nomura Financial Advisory and Securities (India) Private Limited
"Non-Institutional Investors"	All Bidders, including Category III FPIs, that are not QIBs or Retail Individual Investors who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
"Non-Institutional Portion"	The portion of the Offer being not less than 15% of the Net Offer available for allocation to Non-Institutional Investors on a proportionate basis, subject to valid Bids being received at or above the Offer Price
"Offer"	Initial public offering of 25,457,555 Equity Shares^ for cash at a price of ₹ 1,100 per Equity Share, aggregating ₹ 28,003.31 million^ through an offer for sale of 8,592,970 Equity Shares^ by HDFC and 16,864,585 Equity Shares^ by Standard Life Investments. The Offer includes a reservation of 320,000 Equity Shares^ for purchase by the Eligible HDFC AMC Employees for cash at a price of ₹ 1,100 per Equity Share, aggregating ₹ 352.00 million^, a reservation of 560,000 Equity Shares^ for purchase by the Eligible HDFC Employees for cash at a price of ₹ 1,100 per Equity Share, aggregating up to ₹ 616.00 million^ and a reservation of 2,400,000 Equity Shares^ for purchase by Eligible HDFC Shareholders, for cash at a price of ₹ 1,100 per Equity Share, aggregating ₹ 2,640.00 million^. The Offer and the Net Offer constituted 12.01% and 10.46% of the post-Offer paid-up Equity Share capital of our Company, respectively *^Subject to finalisation of Basis of Allotment*
"Offer Agreement"	The agreement entered into on March 14, 2018 amongst our Company, the Promoter Selling Shareholders and the BRLMs, pursuant to the ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
"Offer Closing Date"	Except in relation to Bids received from the Anchor Investors, July 27, 2018
"Offer Opening Date"	Except in relation to Bids received from the Anchor Investors, July 25, 2018
"Offer Period"	Except in relation to Bids received from the Anchor Investors, July 25, 2018 to July 27, 2018
"Offer Price"	₹1,100 per Equity Share, was the final price at which the Equity Shares will be Allotted to Bidders other than Anchor Investors in terms of this Prospectus. The Offer Price was decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, on the Pricing Date.
"Price Band"	₹ 1,095 per Equity Share to ₹1,100 per Equity Share.

Term	Description
	The Price Band and the minimum Bid Lot for the Offer was decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs and was advertised in all editions of Financial Express, all editions of Jansatta and Mumbai edition of Navshakti (which are widely circulated English, Hindi and Marathi newspapers, respectively, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), at least five Working Days prior to the Offer Opening Date
"Pricing Date"	July 28, 2018, the date on which our Company and the Promoter Selling Shareholders in consultation with the BRLMs, finalised the Offer Price
"Promoter Selling Shareholders"	HDFC and Standard Life Investments
"Prospectus"	This prospectus July 28, 2018 to be filed with the RoC in accordance with the Companies Act, 2013 and the ICDR Regulations, containing, *inter-alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
"Public Offer Account(s)"	A bank account opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date
"Public Offer Account Bank(s)"	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) has been opened, being HDFC Bank
"Qualified Institutional Buyers" or "QIB"	A qualified institutional buyer, as defined under Regulation 2(1)(zd) of the ICDR Regulations
"QIB Portion"	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer which was available for allocation to QIBs, including the Anchor Investors (which allocation was on a discretionary basis, as determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs) subject to valid Bids being received at or above the Offer Price
"Red Herring Prospectus"	The red herring prospectus dated July 13, 2018, as amended issued by our Company in accordance with the Companies Act, 2013, and the ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto
"Refund Account(s)"	The account opened with the Refund Bank(s), from which refunds to unsuccessful Anchor Investors, if any, of the whole or part of the Bid Amount shall be made
"Refund Bank(s)"	The banks which are clearing members and registered with SEBI under the BTI Regulations with whom the Refund Account(s) has been opened and in this case being HDFC Bank
"Registered Broker"	Stock brokers registered with the stock exchanges having nationwide terminals other than the Syndicate, and eligible to procure Bids from ASBA Bidders in terms of the circular no. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
"Registrar" or "Registrar to the Offer"	Karvy Computershare Private Limited
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
"Registrar Agreement"	The agreement dated March 13, 2018 entered into amongst our Company, the Promoter Selling Shareholders and the Registrar to the Offer
"Retail Individual Investors"/ "RII(s)"	Individual Bidders (including HUFs applying through their *karta* and Eligible NRIs) who have submitted a Bid for Equity Shares for an amount of not more than ₹ 200,000 in any of the bidding options in the Offer
"Retail Portion"	The portion of the Offer being not less than 35% of the Net Offer which was available for allocation to Retail Individual Investor(s) in accordance with the ICDR Regulations, subject to valid Bids being received at or above the Offer Price
"Revision Form"	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any prior Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIIs, Eligible HDFC AMC Employees, Eligible HDFC Employees and Eligible HDFC Shareholders who are RIIs could revise their Bids during the Offer Period and withdraw their Bids until Offer Closing Date
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	Banks which are registered with SEBI under the BTI Regulations, which offer the facility of ASBA, 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
"Share Escrow Agent"	Karvy Computershare Private Limited appointed pursuant to the Share Escrow Agreement
"Share Escrow	The agreement dated June 27, 2018 entered into amongst our Company, the Promoter Selling

Term	Description
Agreement”	Shareholders and the Share Escrow Agent for deposit of the Promoter Selling Shareholders’ offered Equity Shares in escrow
“Specified Cities” or “Specified Locations”	Bidding centres where the Syndicate shall accept ASBA Forms from ASBA Bidders, a list of which is available on the website of the SEBI (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
“Sub Syndicate”	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect Bid cum Application Forms
“Syndicate” or “member of the Syndicate”	The BRLMs and the Syndicate Members
“Syndicate Agreement”	The agreement dated June 27, 2018 entered into amongst the Syndicate, our Company and the Promoter Selling Shareholders in relation to collection of Bids by the Syndicate
“Syndicate Bidding Centres”	Syndicate and Sub Syndicate centres established for acceptance of the Bid cum Application Form and Revision Forms
“Syndicate Members”	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, HDFC Securities Limited, IIFL Securities Limited, JM Financial Services Limited and Kotak Securities Limited
“Underwriters”	The BRLMs and the Syndicate Members
“Underwriting Agreement”	The agreement dated July 28, 2018 entered into amongst the Underwriters, our Company and the Promoter Selling Shareholders.
“Volcker Rule”	Section 13 of the U.S. Bank Holding Company Act, as amended (as defined)
“Wilful Defaulter”	A willful defaulter, as defined under Regulation 2(1)(zn) of the ICDR Regulations
“Working Day”	All days other than second and fourth Saturdays of the month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Offer Period, shall mean all days, except Saturday, Sunday and public holidays on which commercial banks in Mumbai are open for business; and (c) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Industry related terms

Term	Description
“Actively managed equity-oriented AUM”	Equity-oriented AUM (which excludes index linked and arbitrage schemes)
“AMCs”	Asset management companies
“AMFI”	Association of Mutual Funds in India
“AAAUM”	Annual Average AUM
“AUC”	Assets under custody
“AUM”	Assets under management
“B-15”	Beyond 15 cities
“B-30”	Beyond 30 cities
“bps”	Basis points
“CAGR”	Compounded annual growth rate
“CPI”	Consumer price index
“Dividend Payout Ratio”	Refers to the sum of dividend and dividend distribution tax as a percentage of profit after tax
“ELSS”	Equity-linked savings schemes
“EPFO”	Employees’ Provident Fund Organisation
“ETF”	Exchange-traded fund
“FIs”	Financial institutions
“FIIs”	Foreign institutional investors
“FMPs”	Fixed maturity plans
“FoF”	Fund of funds
“FPIs”	Foreign portfolio investors
“GDP”	Gross domestic product
“GST”	Goods and services tax
“HNIs”	High net worth individuals
“IFAs”	Independent financial advisors
“ISC”	Investor service centers
“IT”	Information technology
“Live Account”	Refers to a positive balance investment by an investor in a mutual fund scheme

Term	Description
“MAAUM”	Monthly average AUM
“MFO”	Mutual fund operations
“NFO”	New fund offer
“p.a”	Per annum
“PMS”	Portfolio management services
“RTA”	Registrar and transfer agent
“SIP”	Systematic investment plans
“STP”	Systematic transfer plans
“SWAP”	Systematic withdrawal advantage plan
“T-15”	Top 15 cities
“TER”	Total Expense Ratio
“ULIPs”	Unit-linked investment products
“VaR”	Value at risk
“VWAP”	Volume weighted average price

Conventional or general terms and abbreviations

Term	Description
“A/c”	Account
“AGM”	Annual general meeting
“AIFs”	Alternative investment funds as defined in and registered with SEBI under the SEBI AIF Regulations
“AMC”	Asset management company
“AML”	Anti Money Laundering
“AS” or “Accounting Standards”	Accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014
“A.Y.”	Assessment year
“Bankruptcy Code”	Insolvency and Bankruptcy Code, 2016
“Bn/bn”	Billion
“BPLR”	Benchmark prime lending rate
“BSE”	BSE Limited
“BTI Regulations”	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
“CAGR”	Compounded Annual Growth Rate
“Calendar Year” or “year”	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
“Category I Alternative Investment Funds” or “Category I AIFs”	AIFs who are registered as “Category I alternative investment funds” under the SEBI AIF Regulations
“Category II Alternative Investment Funds” or “Category II AIFs”	AIFs who are registered as “Category II alternative investment funds” under the SEBI AIF Regulations
“Category III Alternative Investment Funds” or “Category III AIFs”	AIFs who are registered as “Category III alternative investment funds” under the SEBI AIF Regulations
“Category I Foreign Portfolio Investors” or “Category I FPIs”	FPIs who are registered as “Category I foreign portfolio investors” under the FPI Regulations
“Category II Foreign Portfolio Investors” or “Category II FPIs”	FPIs who are registered as “Category II foreign portfolio investors” under the FPI Regulations
“Category III Foreign Portfolio Investors” or “Category III FPIs”	FPIs who are registered as “Category III foreign portfolio investors” under the FPI Regulations
“CCI”	Competition Commission of India
“CDSL”	Central Depository Services (India) Limited
“CFO”	Chief Financial Officer
“CIN”	Corporate Identity Number
“Companies Act”	Companies Act, 1956, to the extent not repealed, and/or the Companies Act, 2013
“Companies Act, 1956”	Companies Act, 1956, and the rules, regulations, modifications and clarifications made thereunder, as the context requires
“Companies Act,	Companies Act, 2013 and the rules, regulations, modifications and clarifications thereunder, to

Term	Description
2013”	the extent notified
“Competition Act”	Competition Act, 2002, as amended
“CrPC”	The Code of Criminal Procedure, 1973
“CSR”	Corporate social responsibility
“Depositories Act”	Depositories Act, 1996, as amended
“Depository” or “Depositories”	NSDL and CDSL
“DIN”	Director Identification Number
“DIPP”	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
“DP” or “Depository Participant”	A depository participant as defined under the Depositories Act
“DP ID”	Depository Participant’s identity number
“EBITDA”	Earnings Before Interest, Tax, Depreciation and Amortisation
“ECB”	External commercial borrowing
“EEA”	European Economic Area
“EGM”	Extraordinary general meeting
“EPS”	Earnings per share (as calculated in accordance with AS-20)
“FAQ”	Frequently asked questions
“FDI”	Foreign direct investment
“FDI Policy”	Consolidated Foreign Direct Investment Policy circular of 2017, effective from August 28, 2017, issued by the DIPP
“FEMA”	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
“FEMA Regulations”	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
“Financial Year”, “Fiscal”, “FY” or “F.Y.”	Period of twelve months ending on March 31 of that particular year, unless stated otherwise
“Finance Act”	Finance Act, 1994, as amended
“FIPB”	Foreign Investment Promotion Board
“FPI(s)”	Foreign Portfolio Investor, as defined under the FPI Regulations
“FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
“FVCI”	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations
“FVCI Regulations”	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
“GAAR”	General Anti-Avoidance Rules
“GBP” or “£”	Pound sterling
“GDP”	Gross domestic product
“GoI” or “Government of India” or “Central Government”	Government of India
“GST”	Goods and services tax
“HUF”	Hindu undivided family
“IA Regulations”	Securities and Exchange Board of India (Investment Advisers) Regulations, 2013
“ICAI”	The Institute of Chartered Accountants of India
“ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
“ICDS”	Income Computation and Disclosure Standards
“ICSI”	The Institute of Company Secretaries of India
“IFRS”	International Financial Reporting Standards
“IND AS”	Indian Accounting Standards
“India”	Republic of India
“Indian GAAP”	Generally accepted accounting principles in India
“Insider Trading Regulations”	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
“IPC”	The Indian Penal Code, 1860, as amended
“IPR”	Intellectual property rights
“IPO”	Initial public offer
“IST”	Indian Standard Time
“IT”	Information Technology
“I.T. Act”	The Income-Tax Act, 1961, as amended

Term	Description
"ITAT"	Income Tax Appellate Tribunal
"KYC"	Know your Customer
"LIBOR"	London Interbank Offered Rate
"Listing Agreement"	The equity listing agreement to be entered into by our Company with each of the Stock Exchanges
"Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
"MCA"	Ministry of Corporate Affairs, Government of India
"MICR"	Magnetic ink character recognition
"Mn" or "mn"	Million
"Mutual Fund"	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"N.A."	Not applicable
"NECS"	National electronic clearing service
"NEFT"	National electronic fund transfer
"Negotiable Instruments Act"	Negotiable Instruments Act, 1881, as amended
"NOC"	No objection certificate
"Non-Resident" or "NR"	A person resident outside India, as defined under FEMA and includes a non-resident Indian
"NRE Account"	Non resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016, as amended
"NRI" or "Non-Resident Indian"	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016, as amended or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
"NRO Account"	Non resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016, as amended
"NSDL"	National Securities Depository Limited
"NSE"	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
"P/E Ratio"	Price/earnings ratio
"PAN"	Permanent account number allotted under the I.T. Act
"PAT"	Profit after tax
"PMLA"	Prevention of Money Laundering Act, 2002, as amended
"PSUs"	Public Sector Undertakings (government-owned corporations)
"Qualified Purchaser / QP"	As defined in section 2(a)(51) of the U.S. Investment Company Act
"RBI"	Reserve Bank of India
"Regulation S"	Regulation S under the Securities Act
"RONW"	Return on net worth
"Rs.", "Rupees", "₹" or "INR"	Indian Rupees
"RTGS"	Real time gross settlement
"Rule 144A"	Rule 144A under the Securities Act
"SCRA"	Securities Contracts (Regulation) Act, 1956
"SCRR"	Securities Contracts (Regulation) Rules, 1957
"SEBI"	Securities and Exchange Board of India constituted under the SEBI Act
"SEBI Act"	Securities and Exchange Board of India Act, 1992, as amended
"SEBI AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"SEBI Depositories Regulations"	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended
"SEBI ESOS Regulations"	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
"SEBI Mutual Fund Regulations"	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
"SEBI Portfolio Managers Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended
"Securities Act"	U.S. Securities Act of 1933, as amended

Term	Description
“SI NBFC”	Systemically important non-banking financial company, as defined under Regulation 2(zla) of the ICDR Regulations.
“STT”	Securities Transaction Tax
“State Government”	Government of a state in the Republic of India
“Stock Exchange(s)”	NSE and BSE
“Takeover Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
“Trademarks Act”	Trademarks Act, 1999, as amended and the rules thereunder
“U.S. Bank Holding Company Act”	U.S. Bank Holding Company Act of 1956, as amended (together with the rules, regulations and published guidance thereunder)
“U.S.” or “USA” or “United States”	United States of America
“USD” or “$” or “US $”	United States Dollar
“US GAAP”	Generally accepted accounting principles in the US
“U.S. Investment Company Act”	U.S. Investment Company Act of 1940, as amended
“U.S. Person”	As defined in Regulation S under the Securities Act
“U.S. QIBs”	“qualified institutional buyers”, as defined in Rule 144A under the Securities Act
“VAT”	Value added tax
“VCFs”	Venture capital funds as defined in, and registered with SEBI under, the VCF Regulations
“VCF Regulations”	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996

Unless the content otherwise requires, the words and expressions used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI Mutual Fund Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

In “*Main Provisions of Articles of Association*” beginning on page 477 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association. In “*Statement of Tax Benefits*” beginning on page 125 of this Prospectus, defined terms have the meaning given to such terms in the Statement of Tax Benefits. In “*Financial Statements*” beginning on page 262 of this Prospectus, defined terms have the meaning given to such terms in the Financial Statements.

Notwithstanding the foregoing, terms specifically defined in this Prospectus, shall have the meanings given to such terms in the sections where specifically defined.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to "India" contained in this Prospectus are to the Republic of India and all references to the "U.S.", "USA" or "United States" are to the United States of America. All references to the "Government", "Indian Government", "GOI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

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

Financial Data

Unless the context requires otherwise, our financial information in this Prospectus is derived from our Restated Financial Information. The Restated Financial Information has been prepared in accordance with Indian GAAP, the Companies Act, 2013 and the ICDR Regulations.

Our Company's Financial Year commences on April 1 of each year and ends on March 31 of the following year and accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

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

India has decided to adopt the "Convergence of its existing standards with IFRS" referred to as the "Indian Accounting Standards" or "Ind AS". In terms of a notification released by the MCA, our Company is required to prepare its financial statements in accordance with Ind AS for accounting periods beginning on April 1, 2018. Accordingly, our financial statements for the period commencing from April 1, 2018, may not be comparable to our historical financial statements. We have not attempted to quantify the impact of Ind AS on the financial information included in this Prospectus, nor have we provided a reconciliation of our financial statements to those under Ind AS. For further details, please see "*Summary of Significant Differences between Indian GAAP and Ind AS*" on page 324 of this Prospectus.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

The degree to which the Restated Financial Information included in this Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and the ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Prospectus should accordingly be limited. Our Company does not provide a reconciliation of its financial statements to IFRS or U.S. GAAP financial statements. For details in connection with risks involving differences between Indian GAAP and other accounting principles, please see "*Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.*" on page 47 of this Prospectus.

Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 19, 173 and 333 of this Prospectus, respectively, and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of our Restated Financial Information.

Non-Indian GAAP Financial Measures

This Prospectus contains certain non-Indian GAAP financial measures and certain other statistical information relating to our operations and financial performance. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-Indian 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 asset management industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other asset management companies.

Further, these financial or performance indicators have limitations as analytical tools and should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Financial Information included in this Prospectus.

Currency and units of presentation

All references to:

- "Rupees" or "Rs." or "₹" are to Indian Rupees, the official currency of the Republic of India.
- "US Dollars" or "US$" or "USD" are to United States Dollars, the official currency of the United States of America.
- "GBP" or "£" are to the Pound Sterling, official currency of the United Kingdom.

In this Prospectus, our Company has presented certain numerical information in "million" and "billion" units. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Prospectus expressed in such denominations as provided in the respective industry sources.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained or derived from publicly available information as well as industry publications and sources such as a report titled "Analysis of the mutual funds industry in India", April, 2018 ("**CRISIL Report**") that has been prepared by CRISIL Research, a division of CRISIL Limited ("**CRISIL**").

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Although we believe that the industry and market data used in this Prospectus is reliable, it has not been independently verified by us, our Directors, our Promoters, the Promoter Selling Shareholders, the BRLMs or any of their respective affiliates or advisors, and none of the parties make any representations as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect.

Further, the extent to which the industry and market data presented in this Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 19 of this Prospectus. Accordingly, investment decisions should not be based solely on such information.

CRISIL has issued the following disclaimer for inclusion of the information in the CRISIL Report in this Prospectus.

*"CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report ("**Report**") based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. HDFC Asset Management Company Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd ("**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

Exchange Rates

This Prospectus contains conversions of USD and GBP currency amounts into Rupees that have been presented solely to comply with the requirements of the ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates between the Rupee and the respective foreign currencies are provided below:

(in ₹)

S.No		Exchange rate				
	Currency	As on March 31, 2018	As on March 31, 2017	As on March 31, 2016	As on March 31, 2015	As on March 31, 2014
1.	1 USD	65.04(2)	64.84	66.33	62.59	60.10(1)
2.	1 GBP	92.28(2)	80.88	95.09	92.46	99.85(1)

Source: www.rbi.org.in

(1) Exchange rate as on March 28, 2014, as RBI reference rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively
(2) Exchange rate as on March 28, 2018, as RBI reference rate is not available for March 31, 2018, being a Saturday, and March 30, 2018 and March 29, 2018, being public holidays

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of our Company and the terms of the offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any other applicable law 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 U.S. Securities Act ("**U.S. Persons**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act, and investors will not be entitled to the benefits of the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Prospectus as "**U.S. QIBs**" and, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as "**QIBs**") and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Prospectus as "**QPs**") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act in reliance on Rule 144A and in the U.S. Investment Company Act in reliance on Section 3(c)(7) of that act; or (ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the Bombay Stock Exchange or the National Stock Exchange). See "*Offer Information – Terms of the Offer – Eligibility and Transfer Restrictions*" beginning on page 398 of this Prospectus.

As we are relying on an analysis that our Company does not come within the definition of an "investment company" under the U.S. Investment Company Act because of the exception provided under section 3(c)(7) thereunder, our Company may be considered a "covered fund" as defined in the Volcker Rule. See "*Risk Factors - U.S. regulation of investment activities may negatively affect the ability of banking entities to purchase our Equity Shares*" beginning on page 51 of this Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Prospectus has been prepared on the basis that all offers of Equity shares will be made pursuant to an exemption under the Prospectus Directive, as implemented in Member States of the European Economic Area ("**EEA**"), from the requirement to produce a prospectus for offers of Equity Shares. The expression "Prospectus Directive" means Directive 2003/71/EC of the European Parliament and Council EC (and amendments thereto, including the 2010 PD Amending Directive and Prospectus Regulation (EU) 2017/1129, to the extent applicable and to the extent implemented in the Relevant Member State (as defined below)) and includes any relevant implementing measure in each Member State that has implemented the Prospectus Directive (each a "**Relevant Member State**"). Accordingly, any person making or intending to make an offer within the EEA of Equity Shares which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for our Company, the Promoter Selling Shareholders or any of the BRLMs to produce a prospectus for such offer. None of our Company, the Promoter Selling Shareholders and the BRLMs have authorized, nor do they authorize, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the BRLMs which constitute the final placement of Equity Shares contemplated in this Prospectus.

Information to Distributors (as defined below)

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) ("**Distributors**") should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements", which are not statements of historical facts. These forward-looking statements include statements with respect to our business strategy, objectives, plans, prospects, financial conditions, results of operations or goals. These forward looking statements can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "goal" "intend", "objective", "plan", "project", "seek to" "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. However, these are not exclusive means of identifying forward looking statements. All forward-looking statements (whether made by us or any third party) are predictions and 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.

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

Further, the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. Adverse market fluctuations and/or adverse economic conditions could affect our business in many ways, including by reducing the value of our AUM, causing a decline in our investment management fees, portfolio management fees or fees from advisory services, reducing our systematic transactions, and causing our customers to withdraw their investments, each of which could materially reduce and adversely affect our revenue, business prospects, financial condition and results of operations.
2. If our investment products underperform, our AUM could decline and adversely affect our revenues, reputation and brand.
3. Our AUM may be constrained by the unavailability of appropriate investment opportunities or if we close or discontinue some of our schemes, products and services.
4. Our historical growth rates may not be indicative of our future growth and if we do not manage our growth effectively, our financial performance could be adversely affected.
5. Failure to continue with our existing distribution relationships or to secure new distribution relationships may have a material adverse effect on our competitiveness, financial condition and results of operations.
6. We rely on third-party service providers in several areas of our operations and may not have full control over the services provided by them to us or to our customers.
7. If our techniques for managing risk are ineffective, we may be exposed to material unanticipated losses.
8. We may not be able to implement our growth strategies.
9. Any concentration in our investment portfolio could have a material adverse effect on our business, financial condition and results of operations.
10. We are dependent on the strength of our brand and reputation, as well as the brand and reputation of other HDFC group entities and Standard Life Investments group companies.

For further discussion on factors that could cause our actual results to differ from expectations, please see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 19, 173 and 333 of this Prospectus, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure Bidders that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

We, our Directors, our Promoters, the Promoter Selling Shareholders, the Syndicate and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the ICDR Regulations, our Company and the BRLMs will ensure that investors in India are informed of material developments from the date of this Prospectus until such time as the grant of listing and trading approvals by the Stock Exchanges. Each Promoter Selling Shareholder will ensure that investors are informed of material developments in relation to the statements and undertakings confirmed by each of them from the date of this Prospectus until such time as the grant of listing and trading approvals by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider the risks described below as well as all the information as may be disclosed in this Prospectus before making an investment in our Equity Shares. The risks described in this section are those that we consider to be the most significant to our business, results of operations and financial condition, the Equity Shares, the industry in which we operate or the regions in which we operate, particularly India, as at the date of this Prospectus. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occur, our business, prospects, results of operations and financial condition could suffer, the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. As a potential investor in the Equity Shares, you should pay particular attention to the fact that we are subject to a regulatory environment in India which may differ significantly from that in other jurisdictions.

In making an investment decision, as prospective investors you must rely on your own examination of us and the terms of the Offer, including the merits and the risks involved. You should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Regulations and Policies" beginning on pages 173, 333 and 201, of this Prospectus, respectively, as well as the other financial and statistical information contained in this Prospectus.

As prospective investors, you should pay particular attention to the fact that our Company is incorporated under the laws of India as an asset management company and is subject to an extensive legal and regulatory environment, which may materially differ from that of other countries. This Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. See "Forward Looking Statements" on page 17 of this Prospectus. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

*Unless otherwise specified in this section, references to "our assets under management ("**AUM**")" or words of similar import refers to the AUM of HDFC Mutual Fund that we manage. Unless otherwise specified in this section, references to "our schemes" or "fund/funds" words of similar import refers to the schemes of HDFC Mutual Fund. Unless otherwise specified in this section, references to "equity-oriented AUM" or words of similar import refers to AUM of equity-oriented schemes of HDFC Mutual Fund and excludes exchange traded schemes and funds of funds.*

Risks related to our business

1. ***Adverse market fluctuations and/or adverse economic conditions could affect our business in many ways, including by reducing the value of our AUM, causing a decline in our investment management fees, portfolio management fees or fees from advisory services, reducing our systematic transactions, and causing our customers to withdraw their investments, each of which could materially and adversely affect our revenue, business prospects, financial condition and results of operations.***

   Our business, financial condition, results of operations, cash flows and business prospects are significantly affected by market fluctuations and general economic conditions, particularly macroeconomic conditions in India where we conduct most of our business and generate all of our revenue. Our business depends on consumer confidence in the overall economy, as well as overall economic growth rates, household savings rates and consumer attitudes towards financial savings, in particular, within India. Adverse economic conditions or adverse market fluctuations in India or globally may affect our results of operations, including in the following ways:

   - ***Decrease in AUM and investment management and advisory fee***: The schemes we manage primarily invest in equities and/or fixed income securities and instruments. Any decline in the Indian equity and/or debt markets would impair the scheme's performance, reduce net inflows and cause our AUM to decline. The equity and debt markets in India have been and may continue to be volatile and any such volatility will contribute to fluctuations in our future AUM. The investment management fee we charge for our services directly depends on the assets managed by us. The investment management fee forms a substantial portion of our revenues. We had an AUM of ₹1,701.79 billion, ₹2,364.58 billion, ₹2,984.59 billion and ₹3,075.85 billion as of March 31, 2016, 2017 and 2018 and as of June 30, 2018, respectively. Additionally, as part of our portfolio management and segregated accounts services we provide non-binding investment advisory services to a fund which had an AUM of ₹1.20 billion, ₹3.58 billion, ₹4.69 billion and ₹4.32 billion as of March 31, 2016, 2017 and 2018 and as of June 30, 2018, respectively, and is managed by Standard Life Investments Global SICAV. Our total AUM including AUM of a fund managed by Standard Life Investments Global SICAV was ₹1,702.99 billion, ₹2,368.16 billion, ₹2,989.28 billion and ₹3,080.17 billion as of March 31, 2016, 2017 and 2018 and as of June 30, 2018, respectively. Our revenue from investment management fees in Fiscals 2017 and 2018 was ₹14,284.53 million and ₹17,364.79 million respectively, which constituted 89.96% and 93.00% of our total revenue, for the said periods, respectively. For example, as a result of a decline in the Indian equity market during February and March 2018, our equity oriented AUM decreased from ₹1,552.82 billion as of December 31, 2017 to ₹1,497.13 billion as of March 31, 2018. There can be no assurance that markets will not decline in the future.

- ***Accelerated customer redemptions and withdrawals:*** In periods of volatile or adverse market conditions, we may experience accelerated customer redemptions or withdrawals if customers move assets to investments they perceive as offering greater opportunity or lower risk, including to competitor funds. Additionally, since the majority of our business is in India-domiciled retail investment schemes where customers are predominantly Indian retail customers, volatile market conditions and adverse economic performance or economic outlook in India or globally could result in a decline in the disposable income of Indian retail customers for investing in mutual funds. This could cause a shift in the savings or investment pattern in India resulting in lower sales and higher levels of redemptions. Changes in customer demographics and attitudes toward our investment products, or mutual fund products in general, could have a negative effect on our AUM and revenues. The redemption requests that we receive for investments in our schemes may be more than the assets that can be sold to meet such redemptions, which would require us to suspend redemptions or borrow money to meet redemption requirements. Customers may choose not to re-invest with us after the completion of one or more investment transactions and seek alternative forms of investment products. All these factors could cause our AUM to decline.

- ***Decline in inflows through systematic transactions:*** A significant portion of subscription from individual customers is derived from systematic transactions, which have the benefit of providing steady and regular increase to our AUM. Volatile market conditions and adverse economic performance on account of adverse economic factors in India or globally could result in a decline of retail customers investing in mutual funds, systemically or otherwise, consequently causing a decline in inflows through such systematic transactions.

- ***Adversely affect our portfolio management and segregated account business:*** The valuation of the portfolio investments may be affected by factors affecting securities markets such as price and volume volatility, interest rate fluctuations, changes in Government of India ("**GoI**") policies, and other political and economic developments. Material adverse changes in the market could cause our customers to withdraw assets or terminate their contracts with us and/or reduce new mandates.

Any of these factors could have a material adverse effect on our business, results of operations, financial condition and business prospects.

2. If our investment products underperform, our AUM could decline and adversely affect our revenues, reputation and brand.

The performance of our schemes is critical to retaining existing customers as well as attracting new customers, which is also an important factor in the growth of our AUM. The performance of our schemes also depends on the general market conditions and existing competition in the market. The investment strategies of our schemes may lead them to underperform their relevant benchmarks, or similar investment products provided by our competitors. Our investment strategies can perform poorly for a number of reasons, including general market conditions, investment decisions that we make, our inability to identify appropriate investment opportunities and the performance of the companies in which we invest on behalf of our schemes. For instance, as of March 31, 2018, of the 133 schemes that we managed, some of our schemes underperformed relative to their respective benchmark indices. Of our top schemes (top six of equity-oriented, top six of debt-oriented and all three of our liquid schemes), which constituted 76.56% of our total AUM, eight schemes underperformed against their respective benchmark indices over a one-year period ended March 31, 2018. For more details on our schemes and the performance of our schemes. See "*Our Business – mutual fund business*" and "*Our Business – performance of our schemes*" on pages 185 and 189, respectively of this Prospectus.

Any such periodic underperformance, either on an absolute or relative basis, may cause our AUM to decline, which could adversely affect the investment management fees that we earn and could impair our revenue. As our revenue is largely dependent on the value and composition of AUM, any decrease in the value or composition of AUM will cause a decline in our revenue. Further, each type of scheme or the instruments in which the funds are invested have specific risks associated with it. A few instances are as follows:

- *Equity securities*: Equity shares and equity related instruments are volatile and prone to price fluctuations on a daily basis. Ability to sell listed shares is limited by the overall trading volume on the stock exchanges, which may result in the funds incurring losses until the security can be finally sold. Securities, which are not listed, are generally illiquid and carry a larger amount of liquidity risk, in comparison to securities that are listed on the exchanges. While listed securities carry lower liquidity risk, the ability to sell these investments is limited by the overall trading volume on the stock exchanges and may lead to the relevant schemes incurring losses which will impact the AUM valuation and consequently impacting our revenues.

- *Debt securities and money market instruments:* The value of debt securities and money market instruments held by our schemes is generally affected by interest rate fluctuations. These instruments also lack a well-developed secondary market, which may restrict the saleability of debt securities. Investing in lower rated or unrated debt securities offering higher yields is subject to greater risks. Investment in debt instruments are subject to varying degree of credit risk, such as downgrade risk or default risk which includes the risk of an issuer's inability to meet interest and principal payments on its obligations or any other issues. Changes in financial conditions of an issuer or changes in economic and political conditions in general may have an adverse impact on an issuer's credit quality and security value. This may increase the risk of the portfolio. Debt securities also carry prepayment, reinvestment and settlement risks.

While we seek to deliver long-term value to our customers, volatility in the market may lead to underperformance of our schemes, which could adversely affect our results of operations. If our investment strategies perform poorly, our existing customers may reduce or withdraw their investments or terminate their relationships with us, which would reduce our AUM and revenue from investment management fees. Underperformance could also affect our ability to attract funds from new customers or fund inflows from existing customers may reduce and third-party financial intermediaries, advisors and consultants may rate our schemes and other investment products poorly, which may lead our existing customers to withdraw their funds or reduce asset inflows from the customers of these third party financial intermediaries. If our revenue declines without a commensurate reduction in our expenses, it may adversely affect our profits, results of operations and business. Underperformance of our schemes may also negatively affect our brand and reputation.

3. Our AUM may be constrained by the unavailability of appropriate investment opportunities or if we close or discontinue some of our schemes, products and services.

The ability of our investment teams to deliver strong investment performance depends largely on their ability to identify appropriate investment opportunities for our customers. If the investment teams are unable to identify appropriate investment opportunities for our existing and new customers on a timely basis, the investment performance of the product or scheme could be adversely affected, which in turn may adversely affect our revenue and results of operations. Our inability to continue to grow our AUM, maintain our overall growth levels while enhancing our customer's product portfolio, or discontinue some of our investment products, may adversely affect our market position and profitability. For example, in Fiscal 2016, the term of our real estate portfolio ("**REP**") expired and we did not launch a similar new portfolio because of prevailing economic conditions and unavailability of appropriate investment opportunities. With the closure of the REP, our portfolio management fees and fees from other advisory services declined in Fiscal 2017. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 333 of this Prospectus, for more details on the impact of the closure of the REP.

4. ***Our historical growth rates may not be indicative of our future growth and if we do not manage our growth effectively, our financial performance could be adversely affected.***

Our total mutual fund AUM grew from ₹1,089.13 billion in Fiscal 2014 to ₹2,919.85 billion in Fiscal 2018. Our total revenue grew from ₹9,031.14 million in Fiscal 2014 to ₹18,672.46 million in Fiscal 2018. The historical returns of our investment products should not be considered indicative of the future results of these products or the results of any other products we may develop in the future. The investment performance we achieve for our customers varies over time and the variance can be wide. Our investment products have benefitted during some periods from investment opportunities, and positive economic and market conditions. In other periods, general economic and market conditions had negatively affected our investment opportunities and our returns. These negative conditions may occur again, and in the future, we may not be able to identify and invest in profitable investment opportunities within our current or future investment funds, which could adversely affect our revenue, results of operations and business prospects.

The growth of our business depends on, among other things, our ability to retain key investment professionals, to devote sufficient resources in maintaining existing investment products and to develop new investment products. Our business growth also depends on our success in achieving superior investment performance from our investment products, as well as our ability to maintain and extend our distribution capabilities, to deal with changing market conditions, to maintain adequate financial and business controls, and to comply with new regulations. Any failure in maintaining our internal policies and managing our growth could affect our AUM, or damage our brand or reputation, which could result in a reversal of any growth that is achieved.

The growth in our business is also dependent on the changing Indian macroeconomic conditions, savings rate and the Indian regulatory framework, which has resulted in increased wealth creation, savings and investments. This change in the Indian economy may not continue or could reverse, which could lead to a corresponding decrease or reversal of the growth of our business, including our AUM, in the future.

We have expanded our physical presence from 141 branches as of March 31, 2014 to 210 branches as of March 31, 2018, and we intend to open new branches in India, expand our international presence, expand our retail customer base and conduct extensive marketing of our products. Accordingly, we have and will continue to incur substantial expenditure in setting up such branches and towards marketing and publicity initiatives. However, we cannot assure you that we will succeed in implementing such strategies, as their successful implementation is subject to many factors beyond our control, such as competition, customer requirements, market conditions, regulatory environment, and rising employee costs and distribution costs and technology cost. As we plan to expand our geographic footprint outside India, our business may be exposed to additional challenges, including obtaining additional governmental or regulatory approvals, identifying and collaborating with local business partners with whom we may have no existing relationship, successfully marketing our products in markets in which we have no familiarity, attracting customers in a market in which we do not have significant experience or visibility, maintaining standardized systems and procedures, and adapting our marketing strategy and operations to new markets in India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover. See also "*Risk Factors – The expansion of our business outside of India raises regulatory risks which may adversely affect our profit margins and may place additional demands on our resources and employees.*"

5. ***Failure to continue with our existing distribution relationships or to secure new distribution relationships may have a material adverse effect on our competitiveness, financial condition and results of operations.***

As of March 31, 2018, we served customers in over 200 cities through our pan-India network of 209 branches (and a representative office in Dubai) and service centres of our registrar and transfer agent ("**RTA**"), which is supported by a strong and diversified network of over 65,000 empanelled distribution partners across India, consisting of independent financial advisors ("**IFAs**"), national distributors and banks. As of March 31, 2018, IFAs, national distributors and banks generated 27.6%, 21.0% and 17.3% of our total AUM, respectively, while the remaining 34.1% was invested in direct plans. In terms of our equity-oriented AUM, IFAs, national distributors and banks generated 39.2%, 24.2% and 19.1% of our equity-oriented AUM, respectively, while the remaining 17.5% was invested in direct plans, as of March 31, 2018. As these distribution channels become increasingly important in our industry, any failure to secure new distribution relationships or maintain our existing relationships, our competitiveness may be adversely affected. As many of our distribution relationships are non-exclusive, our distributors may provide similar services to our competitors or prioritize our competitors' investment product over ours, which could have a material adverse impact on our revenue and results of operations.

As of March 31, 2018, approximately 65.9% of our total AUM was related to third party distribution channels, such as IFAs, national distributors and banks. If we fail to maintain these third-party distribution channels, our business could be adversely affected. In addition, many of these parties review and evaluate our products and our organization. Poor reviews or evaluations either of any particular product or of our organization may result in customer withdrawals or may affect our ability to attract new assets through such intermediaries.

Our Company does, in the ordinary course of its business, enter into agreements with its distribution partners. In terms of these agreements, our distribution partners may terminate their relationship with us on short notice, may offer similar products offered by our competitors to our customers and may promote our competitors' products. To the extent we are not able to maintain our existing distribution relationships or secure new distribution relationships, our financial condition and results of operations may be materially and adversely impacted.

SEBI issued consultation papers in October 2016, June 2017 and January 2018, which set out certain proposals with respect to amendments to the SEBI (Investment Advisers) Regulations, 2013, including (i) segregation between investment advisory and distribution/execution services; (ii) distribution of schemes by distributors; (iii) incidental advice by recognized intermediaries; (iv) changes in registration requirements for persons providing investment advice; and (v) regulating the activity of ranking mutual fund schemes. While the proposals are yet to be implemented, we cannot assure you that any of these proposals or other proposals in the future will not impact our business structure, thereby impacting our business prospects, financial condition and results of operations.

6. ***We rely on third-party service providers in several areas of our operations and may not have full control over the services provided by them to us or to our customers.***

We rely on third party service providers in several areas of our operations on a regular basis. Our decision of outsourcing is governed by extant SEBI regulations and business requirements. We have outsourced a portion of our operations, such as unit administration, information technology and call center services, to third parties, out of business and other considerations, subject to applicable regulations. For the custody of assets and trade settlements, we avail the services of custodians as required by regulations.

In the event any of these third parties were to terminate their contractual relationships with us or fail to provide the agreed services to us for any reason, whether as a result of a lack of robust business continuity planning on their part or otherwise, our business and results of operations could be materially disrupted until suitable alternatives are put in place. In addition, if the third-party service providers make mistakes, leak customer or operational data, mismanage customer interface, or fail to operate or comply with applicable regulations or governance standards, we could suffer reputational harm and may be subjected to regulatory actions. Such situations could disrupt our operations and have a material adverse impact on our business, financial condition, results of operations and prospects.

7. ***If our techniques for managing risk are ineffective, we may be exposed to material unanticipated losses.***

We are exposed to market risks such as liquidity risk, interest rate risk, credit risk, operational risk and legal risks. The effectiveness of our risk management is limited by the quality and availability of data. Our schemes and other investment products carry their own risks.

We have established a system of risk management and internal controls consisting of an organizational risk management framework, policies, risk management system tools and procedures that we consider appropriate for our business operations, and continue to enhance these systems. However, in case of any limitations in our risk management system, such as internal controls, risk identification and evaluation, effectiveness of risk control and information communication, our risk management systems and mitigation strategies may not be adequate or effective to identify or mitigate our risk exposure in all market environments.

The information and experience data that we rely on may quickly become obsolete because of market and regulatory developments, and our historical data may not be able to adequately reflect risks that may emerge in the future. Management of operational, legal or regulatory risks require, among other things, policies and procedures to record and verify transactions and events, as well as internal control systems. Although we have established these policies and procedures, they may not be fully effective.

Our business, financial condition and operations could be materially and adversely affected by the corresponding increase in our risk exposure and actual losses experienced as a direct or indirect result of failures of our risk management policies and internal controls. Any hedging/derivative strategies that we may utilize may also not be fully effective or may not adequately cover our liabilities and may leave us exposed to unidentified and unanticipated risks.

While our compensation, incentive plans and internal control systems do not encourage our employees and distributors to take excessive risks, they may make decisions that expose us to risks regardless of our internal control mechanisms. Similarly, due to the large size of our operations and the large number of our branches, we cannot assure that we will always be able to effectively monitor and control any excessive risks taken by our employees and distributors.

Any future expansion and diversification in our scheme or product offerings and investments will require us to continue to enhance our risk management and internal control capabilities. Our failure to timely adapt our risk management and internal control policies and procedures to our developing business could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

In order to manage the significant risks inherent in our business, we maintain effective policies, procedures and systems that enable us to identify, monitor and control our exposure to operational, legal and reputational risks. Our risk management policy may prove to be ineffective due to their design, implementation or insufficient scope, or as a result of the lack of adequate, accurate or timely information or otherwise. We may be subject to risks arising on account of compliance with regulatory requirements which may be put in place to address risks discussed in this risk factor, which could increase our business and operational costs. If our risk management efforts are ineffective, we could suffer losses that could have a material adverse effect on our financial condition or results of operation.

8. ***We may not be able to implement our growth strategies.***

Our business growth depends on our ability to continue to achieve superior investment performance from our investment strategies as well as our ability to maintain and extend our distribution capabilities, and invest in digital platforms. While we have a broad, diversified product portfolio, primarily covering equity, debt, liquid and other investment funds, we endeavor to enhance the product portfolio for our customers. There is no assurance that our strategies will improve our profitability and increase the value of our business and any failure to implement our growth strategies could have a material adverse impact on our revenue, results of operations and our business. In order to grow our business, we expect to incur additional expenses, such as, for example, business development. Further, we intend to increase the retail customer base, open new branches in India, expand our international presence and conduct extensive marketing of our products. We have and will continue to incur substantial expenditure in setting up such branches and towards marketing and publicity initiatives. However, we cannot assure you that we will succeed in implementing such strategies, as their success is subject to many factors beyond our control, such as competition, customer requirements, market conditions, regulatory environment, and rising employee costs. As we plan to expand our geographic footprint outside India, our business may be exposed to additional challenges, including obtaining additional governmental or regulatory approvals, identifying and collaborating with local business partners with whom we may have no existing relationship, successfully marketing our products in markets in which we have no familiarity, attracting customers in a market in which we do not have significant experience or visibility, maintaining standardized systems and procedures, and adapting our marketing strategy and operations to new markets in India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not be able to recover.

9. ***Any concentration in our investment portfolio could have a material adverse effect on our business, financial condition and results of operations.***

Events or developments that have a negative effect on any particular industry, asset class, group of related industries, country or geographic region may have a greater negative effect on the investment portfolio of our schemes and products to the extent that such portfolio is concentrated in such effected category. These types of concentrations in the investment portfolios of our schemes and products could increase the risk that, in the event we experience a significant loss in any of these investments, our financial condition and results of operations would be materially and adversely affected. In particular, since the financial and mutual funds sector is significantly dependent on macroeconomic conditions, such concentration could have an adverse impact especially during periods of economic volatility. In addition, if we become subject to additional restrictions in future with regard to the asset classes that we are permitted to invest in, the portfolio of our schemes and products may not be sufficiently diversified to mitigate the effects of potential concentration risk. For further details on the regulation of our investments, see "*Regulations and Policies in India*" on page 201 of this Prospectus.

A large portion of our AUM is concentrated in a few schemes. For example, as on March 31, 2018, our top six equity-oriented schemes constituted 79.1% of our total equity-oriented AUM and our top six debt schemes constituted 65.5% of our total debt AUM. The performance of these schemes has a significant impact on our AUM and consequently our revenue. Underperformance by any of these schemes may have a disproportionate adverse impact on the AUM and our revenue.

10. We are dependent on the strength of our brand and reputation, as well as the brand and reputation of other HDFC group entities and Standard Life Investments group companies.

Our revenue, results of operation, business and prospects are, to a certain extent, dependent on the strength of our brand and reputation**,** as well as the brand and reputation of Promoters, HDFC Limited and Standard Life Investments and the group entities of HDFC and Standard Life Investments. While our brand is well recognised, we may be vulnerable to adverse market and customer perception, particularly in an industry where integrity, trust and customer confidence are paramount. We are exposed to the risk that litigation, misconduct, operational failure, negative publicity (including through social media channels) or press speculation could harm our brand and reputation. Our reputation could be affected adversely if our schemes, products or services do not perform as expected, whether or not the expectations are founded. In addition, our reputation could be affected by the conduct or performance of third parties over which we have no control, such as other entities that are part of HDFC group as well as entities affiliated with Standard Life Investments. For details, please see "*Outstanding Litigation and Material Developments*" on page 355 of this Prospectus. As the "HDFC" brand is closely linked to brands utilised by us, and both HDFC and Standard Life Investments are closely associated with us, any reputational harm to HDFC or Standard Life Investments group entities may also negatively affect our brand and reputation.

We may also be exposed to adverse publicity relating to the investment industry as a whole. An incident related to us, or the conduct of a competitor unrelated to us may taint the reputation of the industry as a whole and may affect the perception of customers and the attitude of regulators. Further, negative publicity may result in greater regulatory scrutiny of our operations and of the industry generally. If we are unable to maintain our brand name and our reputation, or there is reputational harm to other HDFC or Standard Life Investments group entities, our business, financial condition and results of operations could be materially and adversely impacted.

11. We face competition from other asset management companies, alternate investment funds and other companies providing portfolio management and segregated accounts services and from alternate investments products available in the market.

The asset management industry is intensely competitive, with competition based on a variety of factors, including investment performance, investment management fee rates, continuity of investment, professionals and customer relationships, the quality of services provided to customers, reputation, continuity of selling arrangements with intermediaries, differentiated products, and alternate investment products such as bank deposits gold, real estate, insurance and retirement products such as unit linked insurance plans and the National Pension Savings Trust. Insurance companies' products may provide favorable taxation options to investors. Other financial companies are subject to different regulations in India, which may permit them to compete more effectively in the market for investment products.

While we have been the largest asset management company in India in terms of equity-oriented AUM since the last quarter of Fiscal 2011 and have consistently been among the top two asset management companies in India in terms of total average AUM since the month of August 2008, according to CRISIL, we face intense competition from other asset management companies in the market. Our competitors may offer a wide range of financial products and services, at lower investment management fee, with a wider distribution network. Many banks, non-banking financial companies and fund houses have launched new domestic and offshore India-focused funds, in partnership with large pension funds from around the globe. The SEBI AIF Regulations allows more flexibility in structuring various kinds of funds. While we are in the process of setting up our AIF business, we may face competition from other AIFs, as AIFs provide additional access to schemes with additional features to customers.

Increased competition may result in a decrease in our AUM market share or force us to reduce our investment management fees, which could have an adverse impact on our results of operations, profitability and business prospects. Our failure to respond effectively to the competition from other asset management companies or offer better or different investment products to our customers could result in a decrease in our market share or cause a decline in our AUM, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We face competition from other asset management companies that offer exchange traded funds or ETFs, which may become more popular in the Indian mutual fund industry as it has gained momentum worldwide. If this trend continues in India, we may be required to offer ETFs to align our product offerings with other industry players. The revenue earned from ETFs may be substantially lower than the revenue earned from other schemes. Offering ETF products in future to cater to this competitive demand, could affect our business prospects and results of operations.

12. ***Our investment management agreement may be terminated by HDFC Trustee Company Limited, the trustee for HDFC Mutual Fund ("Trustee") and our customers may terminate their agreements with us, which could adversely impact our revenue, results of operations, business and prospects and termination of agreements for portfolio management and segregated accounts and advisory services.***

We have entered into an investment management agreement dated June 8, 2000 (the "**Investment Agreement**") with the Trustee. Under the Investment Agreement, the Trustee, after receipt of SEBI approval has the power to dismiss us as the asset management company for the HDFC Mutual Fund if we fail to manage all or any of the funds in conformity with their objectives or if we fail to comply with the provisions of SEBI Mutual Fund Regulations. Additionally, after receipt of SEBI approval and serving a one month notice, the Trustees can terminate our appointment as the asset management company, if the Trustee believes that the asset management company needs to be changed in the interest of the unitholders, or if a majority of the directors of the Trustee or 75% of the unitholders of the schemes of HDFC Mutual Fund deliver a request to the Trustee for change in the AMC.

Customers may also terminate their investment management advisory agreements under the portfolio management and segregated accounts services with us, by serving us with a shorter notice, for reasons such as underperformance of customer's portfolio, higher management fees than competitors, amongst others. Such termination could have a material adverse impact on our revenue, results of operations and financial condition.

13. ***Our business would suffer if we lose the services of our key management and other personnel and we are unable to adequately replace them.***

We depend on the skills and expertise of our investment professionals and our success depends on our ability to retain key members of our investment teams, who possess substantial experience in investing and have been primarily responsible for the historically strong investment performance we have achieved. Our performance also depends on the efforts and abilities of our senior management. For further details, see "*Our Management*" on page 219 of this Prospectus.

While we have experienced very few departures among our portfolio managers and our key management personnel, there can be no assurance that this stability will continue in the future. We cannot assure that members of our management team of key employees/investment team will not leave our Company and join our competitors, and that we will be able to find suitable replacements for them, in a timely manner or at all. This could affect our operations resulting in decline in performance of our business, or damage our reputation and reduce the attractiveness of our products to our customers.

Moreover, we may be required to substantially increase the number of our qualified personnel in connection with any future growth plans, and we may face difficulty in doing so due to the intense competition in the asset management industry for such personnel. In addition, we may need to increase employee compensation levels in order to retain our existing officers and employees and attract any additional personnel we may require. Any of these factors may result in an increase in our operating costs and may adversely affect our business and results of operations. In addition, our investment professionals and senior sales and customer service personnel have direct contact with our customers and certain distributors. If such personnel were to leave, they may seek to solicit our customers after termination of their employment, and therefore the loss of these personnel could also create a risk that we lose certain of our AUM. Alternatively, our customers may decide to give preference to their relationship with the investment professionals, over the brand name associated with us and may accordingly choose to terminate their investment in our schemes.

14. The regulatory environment in which we operate is subject to change.

The legislative and regulatory environment in which we operate has undergone significant changes in the recent past. We believe that significant regulatory changes in our industry are likely to continue on a scale that exceeds the historical pace of regulatory change, which is likely to subject industry participants to additional, generally more stringent regulation. The requirements imposed by our regulators are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with us, and are not typically designed to protect our stockholders. Consequently, these regulations often serve to limit our activities and/or increase our costs, including through customer protection and market conduct requirements.

For example, under SEBI Mutual Funds Regulations, in certain circumstances, an asset management company is not permitted to undertake business activities other than in the nature of management and advisory services provided to pooled assets, including offshore funds, insurance funds, pension funds, provident funds, Category I FPIs and/or Category II FPIs which are appropriately regulated broad based funds., as specified in the FPI Regulations, if any of such activities conflict with the activities of the mutual fund. In view of such restrictions, we may not be in a position to offer our investment management and advisory services to offshore funds/pooled assets which are akin to mutual funds. Additionally, while, undertaking the said business activity, we are required to ensure that (i) there is no conflict of interest with the activities of the mutual fund; (ii) there exists a system to prohibit access to insider information as envisaged under the Regulations; and (iii) interests of the customers of the scheme are protected at all times.

New laws or regulations, or changes in the enforcement of existing laws or regulations, applicable to us and our customers may adversely affect our business. Our ability to function in this environment will depend on our ability to constantly monitor and promptly react to legislative and regulatory changes. We have limited experience investing in certain asset classes such as REITS, InvITs, usage of derivative strategies for leveraging, that have only recently been permitted by SEBI and investing in other asset classes that may be permitted in the future.

The mutual fund industry has benefitted from favourable regulations in the past. For example, favorable regulations have allowed mutual funds and asset management companies to accept payments from customers of up to ₹50,000 per mutual fund per financial year for investments through e-wallets (prepaid payment instruments) in accordance with specific conditions set out by SEBI. Such regulations may change or be replaced with regulations that may increase our business and operational cost.

15. Impact of changes to the regulations on the Total Expenses Ratio ("TER") for Schemes, could adversely impact our revenue, results of operations, business and prospects

Mutual Funds are permitted to charge certain operating expenses for managing a scheme that is, sales and marketing / advertising expenses, administrative expenses, transaction costs, investment management fees, registrar fees, custodian fees, audit fees, amongst others, as a percentage of the scheme's daily net assets. TER charged to the scheme is the cost of running and managing a scheme. All expenses incurred by a scheme are required to be managed by the asset management company within the limits specified under Regulation 52 of the SEBI (Mutual Funds) Regulations. In case of fund of funds, the total permissible expense including the weighted average charges levied by the underlying schemes is capped at 2.5% of daily net assets of the fund. For index funds or exchange traded funds, the total expense limit, which includes the investment management fee, is capped at 1.5% of daily net assets of the fund. In the case of any other fund (i.e. equity and equity-oriented, balanced/hybrid funds), the total expense (including the investment management fee) limit is (i) up to 2.5% of the fund's daily net assets for the first ₹1 billion; (ii) 2.25% of daily net assets for the next ₹3 billion; (iii) 2.0% of daily net assets for the next ₹3 billion; and (iv) 1.75% of daily net assets for the balance of the assets of the fund. The respective expense limits for income and liquid funds are 0.25% lower than each of the respective expense limits for equity and equity-oriented balanced/hybrid funds. SEBI on February 2, 2018, issued a circular bearing reference no. SEBI/HO/IMD/DF2/CIR/P/2018/16 restricting asset management companies to charge the additional TER of up to 30 basis points to incentivize distribution of the schemes for inflows from beyond top 30 cities instead of beyond top 15 cities allowed earlier. Additionally, SEBI through the circular no. SEBI/HO/IMD/DF2/CIR/P/2018/15 dated February 2, 2018 read with SEBI (Mutual Funds)

(Second Amendment) Regulations, 2018 and circular no. SEBI/HO/IMD/DF2/CIR/P/2018/91 dated June 5, 2018, restricted the asset management companies to charging additional expenses of up to 0.05 percent, in the daily average net assets of the schemes. In view of the above circulars, these changes to the existing TER regulations could have an adverse impact on our revenue, results of operations, business and prospects.

16. ***Impact of merger, wind up or change in the fundamental attributes of some of our schemes pursuant to the recent SEBI circulars dated October 6, 2017 and December 4, 2017.***

SEBI, on October 6, 2017, issued a circular bearing reference no. SEBI/HO/IMD/DF3/CIR/P/2017/114 which was amended by a circular dated December 4, 2017 bearing reference no. SEBI/HO/IMD/DF3/CIR/P/2017/126 ("**SEBI Circular**"), which seeks to categorize and rationalize the mutual fund schemes to enable the customers to better evaluate the different options available and take informed decisions to invest in schemes. Accordingly, the schemes are classified into five groups, those are equity schemes, debt schemes, hybrid schemes, solution oriented schemes and other schemes. These five groups collectively have 36 different categories of schemes under them, details of which are provided in SEBI Circular.

The SEBI Circular states that, only one scheme per category is permitted to continue to exist/be launched by a mutual fund, with few exceptions. Further, asset management companies are required to analyze their existing open-ended schemes and submit their proposals to SEBI in relation to merging or winding up or changing the fundamental attributes of the funds within two months from the date of SEBI Circular, followed by carrying out necessary changes within three months from the date of issuance of observations by SEBI on the submitted proposals.

In compliance with the said SEBI circular, we have implemented the proposal of merger of the schemes, carried out changes to the fundamental attribute(s) to few of our schemes. The impact of implementation of categorization and rationalization of our schemes may have a material adverse impact on our business, financial condition, results of operations and prospects.

17. ***We are required to prioritize the interests of our customers, which could conflict with the interests of our shareholders.***

In terms of the SEBI Mutual Fund Regulations, we are required to avoid conflicts of interest in managing the affairs of our mutual fund schemes and keep the interest of our customers paramount in all matters. Accordingly, in the event of any conflict arising between the interests of our shareholders and the interests of our customers, we will have to prioritize the interests of our customers. For instance, we have, in the past, approved extending certain facilities/arrangements to schemes in the event of non-payment of interest and/or principal, loss in the securities held by these schemes, however we have not extended such facilities to our schemes post these approvals. While the provision of such facilities by us to the schemes is intended to secure the interests of our customers, the terms of these facilities and the risks arising in relation to providing such facilities may not be in our best interest and/or our shareholders. Further, we may endeavor to safeguard the interests of our customers by acquiring certain non-performing / downgraded investments held by the schemes and by bearing the interest costs arising out of borrowings that may be availed of by our schemes to meet its redemption requirements. Acquisition of such investment by us or bearing such interest costs may not be in our best interest and or that of our Shareholders.

We cannot assure you that, going forward, in the event that we believe that we are required to act in the best interests of our customers, such actions would not conflict with the interests of our shareholders, and that such actions would not have an adverse effect on our reputation, financial condition and results of operations.

18. ***Reimbursement of expenses to the schemes of mutual funds exceeding the limits prescribed under SEBI Regulations which may reduce our profitability and cause us to decrease marketing and other efforts on behalf of the funds.***

Each mutual fund scheme has to provide and account for the expenses incurred by that particular fund. SEBI has prescribed certain categories of expenses that can be charged to mutual fund schemes by the asset management company as well as the maximum expenses a mutual fund scheme can incur, and has prohibited certain categories of expenses from being charged. In case of fund of funds, the total permissible expense including the weighted average charges levied by the underlying schemes has been capped at 2.5% of daily net assets of the fund. For index funds or exchange traded funds, the total expense limit, which includes the investment management fee, is capped at 1.5% of daily net assets of the fund. In the case of any other fund (that is equity and equity-oriented balanced/hybrid funds), the total expense (including the investment management fee) limit is (i) up to 2.5% of the fund's daily net assets for the first ₹1 billion; (ii) 2.25% of daily net assets for the next ₹3 billion; (iii) 2.0% of daily net assets for the next ₹3 billion; and (iv) 1.75% of daily net assets for the balance of the assets of the fund. The respective expense limits for income and liquid funds are 0.25% lower than each of the respective expense limits for equity and equity-oriented balanced/hybrid funds. An asset management company may charge the fund with investment management and advisory fees, which should be fully disclosed in the fund offer document. Asset management companies may also charge the fund for recurring expenses, including marketing and selling expenses, brokerage and transaction costs, registrar services, trustee fees and expenses, audit and custodian fees, and expenses for investor communication and additional expenses as specified under the SEBI Mutual Fund Regulations from time to time. However, if the actual expenses incurred by the funds managed by us exceed the limits prescribed in the fund offer documents, we must reimburse such excess expenses. This reduces our profit and may encourage us to decrease marketing and other efforts on behalf of the funds for which we cannot charge expenses, which could adversely affect AUM of the funds managed by us and our revenue. Additionally, any loss or damage or expenses incurred by us or by any persons authorized by us needs to be borne by us and cannot be met out of the scheme's assets.

19. ***Failure to detect and deter misconduct of our employees, distribution partners or other third party service providers could harm our brand and our reputation, or lead to regulatory fines or litigation against us.***

We are vulnerable to reputational harm because we operate in an industry in which personal relationships, integrity and the confidence of our customers are of critical importance. Our employees, agents, distributors and other third parties could engage in misconduct that adversely affect our business. For example, if an employee were to engage in illegal or suspicious activities, we could be subject to regulatory fines and suffer serious harm to our reputation (because of the negative perception resulting in such activities), financial position, customer relationships and ability to attract new customers. While we have internal processes to detect, prevent and monitor our employees, agents, distributors and other third parties, we may not be successful in identifying or limiting such occurrences. Such misconduct could include, engaging in mis-selling, misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling products, binding us to transactions, hiding unauthorised or unsuccessful activities, such as insider trading, improperly using or disclosing confidential and price sensitive information, making illegal or improper payments, falsifying documents or data, recommending products, services or transactions that are not suitable for our customers; misappropriation of funds, engaging in unauthorised or excessive transactions to the detriment of our customers or not complying with applicable laws or our internal policies and procedures.

We are exposed to the risk of our directors and employees being non-compliant with insider trading rules or engaging in front running in securities markets. While we have taken steps to reduce instances of fraud, mis-selling and other forms of misconduct by our agents, employees and distribution partners, including taking action against malpractices, conducting training programs for employees and distributors, there can be no assurance that these measures will succeed in detecting or deterring misconduct or to provide sufficient evidence to conclude investigations of misconduct. In the past, SEBI has carried out an investigation into the alleged front running of trade orders of HDFC Mutual Fund by a certain set of persons on the basis of information provided by Nilesh Kapadia, our former dealer (in equities) at our Company. Pursuant to directions issued by SEBI, our Company deposited the total amount of losses suffered by the investors during the period November 2001 to September 2007, aggregating to ₹69.69 million, as determined by SEBI, in a segregated bank account maintained with the Trustee Company. Our Company has, thereafter, compensated the concerned investors in accordance with the aforementioned directions issued by SEBI. In the event of any such violations, regulators could take regulatory actions, including financial penalties against us and the concerned employees. This could have a materially adverse financial and reputational impact on us. For details, see "*Outstanding Litigation and Material Developments*" on page 355, of this Prospectus.

Our business often requires that we deal with confidential information. If our employees were to improperly use or disclose this information, even if inadvertently, we could be subject to legal action and suffer serious harm to our reputation, financial position and current and future business relationships. It is not always possible to deter employee misconduct, and the precautions we take to detect and prevent such activities may not always be effective. Misconduct by our employees, or even unsubstantiated allegations of misconduct, could result in an adverse effect on our reputation and our business. While we have implemented specific initiatives to reduce the likelihood of such situations occurring or recurring in future, including enhanced due diligence measures for high-risk cases, there can be no assurance that we will not be subjected to fraudulent claims in the future. We may be also subjected to fraudulent behaviour and disclosures by customers and third parties in respect of other areas of operations, including money laundering and forgery, which may negatively impact our ability to comply with applicable regulations and have an adverse impact on our results of operations, profitability and reputation.

20. Data privacy laws, rules and regulations could have a material adverse effect on our business, financial condition and results of operations.

We are subject to data privacy laws, rules and regulations that regulate the use of customer data. Compliance with these laws, rules and regulations may restrict our business activities, require us to incur increased expense and devote considerable time to compliance efforts. For example, data privacy laws, rules and regulations could limit our ability to leverage our large customer base, as well as the customer base of our distribution partners, to develop cross-selling opportunities. Applicable data privacy laws, rules and regulations could also adversely affect our distribution channels, such as our direct distribution channel, and limit our ability to use third-party firms in connection with customer data. Certain of our corporate agency agreements include provisions providing for the sharing of customer data between us and our distribution partners, which is done in accordance with applicable laws, rules and regulations relating to data privacy. In the event of any change of such norms in the future, we may be unable to honour our obligations under these agreements, which may adversely affect our business.

Certain of these laws, rules and regulations are relatively new and their interpretation and application remain uncertain. Data privacy laws, rules and regulations are also subject to change and may become more restrictive in the future. Changes or further restrictions in data privacy laws, rules and regulations could have a material adverse effect on our business, financial condition and results of operations.

21. Any delay or failure to renew or maintain necessary regulatory approvals could adversely affect our business and operations.

We require certain approvals, licenses, registrations and permissions for operating our business. We have currently made applications to various governmental authorities in lieu of licenses and approvals that have expired. While we have procured all material approvals for our operations, we are in the process of renewing/procuring certain material approvals and licenses such as license. For further details, please see "*Regulations and Policies*" and "*Government and Other Approvals*" beginning on pages 201 and 373 of this Prospectus, respectively. Further, every scheme that we operate is required to be filed with by SEBI for its final observations. The failure to obtain SEBI approvals or renew licenses required in relation to our business, may materially affect our ability to carry on or conduct our business including regulatory sanctions, penalties and/or suspension. Further, any failure to obtain relevant licenses or to comply with the terms of any licenses that we are currently required to maintain, could subject us to penalties and restrict our ability to conduct certain lines of business.

22. Failure to detect errors or omissions in our operations and records could adversely affect our business and reputation

While we ensure that we are in compliance with all applicable laws, however any failure in detecting errors in our statutory records or errors or omissions in our business operations could expose us to potential losses and regulatory fines amongst others. We may therefore, be exposed to claims brought against us based on such undetected errors or omissions which could result in harm to our reputation, contractual disputes, negative publicity, delays in or loss of market acceptance of our services or unexpected expenses and diversion of resources to remedy these errors. This may have a material adverse effect on our business and cash flows, financial condition, results of operations and also cause reputational damage to us.

23. We are subject to SEBI inspections and any adverse action taken could affect our business and operations.

We are subject to regular scrutiny and supervision by SEBI, such as periodic inspections that may be conducted by SEBI. SEBI has the power to inspect our books from time to time to ascertain that we are in compliance with the applicable SEBI regulations, based on which, SEBI may take such action as it may deem fit, including under the Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, which includes fines or sanctions and, in certain circumstances, could also lead to revocation of our license to function as an asset management company. The requirements imposed by SEBI are designed to ensure the integrity of the financial markets and to protect investors interest. Any non-compliance with regulatory guidelines and directions may result in regulatory actions which includes issuance of administrative/warnings/deficiency letters, fines or sanctions imposed by

SEBI and in some circumstances could lead to revocation of our license to function as an asset management company. We have received administrative/warnings/deficiency letters from SEBI based on inspection reports and other statutory filings from time to time and we cannot assure you that we will not be subjected to any fines/penalties/sanctions in the future.

Given the uncertainties and complexity of many of these regulatory actions, their outcome generally cannot be predicted with any reasonable degree of certainty. Accordingly, our provisions for regulatory actions may be inadequate. These and future examinations or proceedings by regulatory authorities may result in the imposition of penalties and/or sanctions, or issuance of negative reports or opinions, that could materially adversely affect our business, financial condition and results of operations.

24. ***We are required to comply with certain obligations under SEBI (Mutual Funds) Regulations and other applicable SEBI Regulations. Failure to comply with such obligations may result in us being liable to pay interest and be subject to action under SEBI Act.***

We are required to comply with certain obligations under SEBI (Mutual Funds) Regulations such as (i) refunding application money within a prescribed time, where such money is refundable, (ii) dispatching repurchase or redemption proceeds within a prescribed time period, (iii) conforming to the advertisement code provided under SEBI Mutual Fund Regulations and (iv) complying with the principles of fair valuation with respect to valuation of securities. In the event that we fail to comply with such obligations, we may be liable to pay interest for delayed refunds / redemption / dividend pay-outs or may be subject to action under SEBI Act and regulations thereunder, which may have an adverse impact on our business and reputation.

In addition to compliances required under SEBI (Mutual Funds) Regulations, we are required to comply with obligations under other applicable SEBI regulations, including, PMS Regulations, Takeover Code and Insider Trading Regulations, amongst others.

We may have made delayed regulatory filings under the above regulations in the past and we cannot assure you that we will, going forward, be able to make the requisite regulatory filings within the required time period or at all or be liable to fines, penalties, sanctions as a consequence.

In terms of SEBI’s circulars dated November 30, 2017 and February 7, 2018, our existing Independent Directors and the existing Independent Trustees of HDFC Mutual Fund can hold office for a maximum of two terms, with each term not exceeding a period of five consecutive years. However, our Independent Directors or independent trustee shall be eligible for re-appointment after a cooling-off period of three years. Additionally, independent directors and independent trustees who have held office for nine years or more, as on November 30, 2017, may continue to hold office for an additional period, not exceeding two years from November 30, 2017. Presently our Independent Directors have completed more than 10 years and may continue to be on our Board only for additional two year period, post that we will be required to appoint new Independent Directors in place of the existing Independent Directors. There is no assurance that we shall be able to appoint suitable independent directors on our Board within the stipulated period. Any inability of ours to change independent Directors and Trustee directors shall be treated as non-compliance with applicable law and may have an adverse effect on our operations and business.

25. ***There are outstanding proceedings against us, Promoters, Directors and Group Companies and any adverse outcome in any of these proceedings may adversely affect our profitability and reputation and may have an adverse effect on our business, results of operations and financial condition.***

We and certain of our Directors, Promoters and Group Companies are involved in certain legal proceedings which are at different levels of adjudication before various courts, tribunals and appellate authorities. We are also involved in an investigation initiated by SEBI with regard to alleged front running and violation of securities laws. For details, see “*Outstanding Litigation and Material Developments*” on page 355 of this Prospectus.

We face a significant risk of litigation, regulatory investigations and similar actions in the ordinary course of our business, including the risk of lawsuits and other legal actions relating to suitability, sales or underwriting practices, claims payments and procedures, product design, distribution, disclosure, administration, denial or delay of benefits and breaches of fiduciary or other duties. Any such action may include claims for substantial or unspecified compensatory and punitive damages, as well as civil, regulatory or criminal proceedings against our directors, officers or employees, and the probability and amount of liability, if any, may be significant or remain unknown for significant periods of time. We are also subject to various regulatory inquiries, such as information requests and books and records examinations, from regulators and other authorities in the geographical markets in which we operate. Further, we are involved in nine consumer cases having an aggregate monetary claim of approximately ₹3.61 million pertaining to consumer disputes such as delayed dividend payments and incorrect credits of redemption amounts, amongst others. We cannot assure you that these legal proceedings will be decided in our favour, or that further liability will not rise out of these proceedings. Such legal proceedings could divert management time and attention and consume our financial resources.

In addition to the above, certain of our schemes are involved in various taxation proceedings before various forums and judicial authorities, which, if ruled unfavourably, could have an adverse impact on our business, results of operations and financial condition.

In the event of adverse rulings in these proceedings or consequent actions by regulatory and other statutory authorities, our Company, Promoters or Group Companies may need to make payments or provisions for future payments, be subject to other liabilities, harm our reputation or adversely affect our business, financial condition and results of operations.

A summary of the proceedings involving us, Directors, HDFC Mutual Fund, our Promoters and Group Companies as of the date of this Prospectus is provided below:

Litigation against the Company

S. No.	**Nature of litigation**	**Number of cases**	**Approximate amount involved to the extent quantifiable** (₹ *in million*)
1.	Actions by statutory or regulatory authority	2	69.69
2.	Direct Tax	7	12.22
3.	Indirect Tax	1	0.37

Litigation involving HDFC Mutual Fund

S. No.	**Nature of litigation**	**Number of cases**	**Approximate amount involved to the extent quantifiable** (₹ *in million*)
1.	Indirect Tax	4	43.17

Litigation against the Directors

S. No.	**Nature of litigation**	**Number of cases**	**Approximate amount involved to the extent quantifiable** (₹ *in million*)
1.	Criminal proceedings against Deepak Parekh	1	-
2.	Criminal proceedings against Keki Mistry	2	-
3.	Criminal proceedings against Renu Karnad	1	-

Litigation against the Promoters

HDFC

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Criminal proceedings	7	-
2.	Actions by statutory or regulatory authority	1	0.07
3.	Direct tax	21	15,289.30
4.	Indirect tax	1	0.20

SLI

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Actions by statutory or regulatory authority	1	-

Litigation against Group Companies

GRUH Finance Limited

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Actions by statutory or regulatory authority	1	3.66
2.	Direct tax	16	78.69

HDFC Credila Financial Services Private Limited

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Direct Tax	1	19.49

HDFC Ergo General Insurance Company Limited

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Actions by statutory or regulatory authority	3	7.50
2.	Direct tax	7	574.40
3.	Indirect tax	13	3,623.90

HDFC Holdings Limited

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Direct Tax	3	59.46

HDFC Investments Limited

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Direct Tax	1	0.44

HDFC Life

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Criminal proceedings	10	-
2.	Actions by statutory or regulatory authority	43	19.28
3.	Direct Tax	18	59,599.91[#]
4.	Indirect Tax	41	3,271.43*

[#]Does not include claims towards costs of proceedings
**Does not include claims towards interest or costs of proceedings*

HDFC Property Ventures Limited

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Direct Tax	3	0.29

HDFC Sales Private Limited

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Actions by statutory or regulatory authority	1	0.02
2.	Direct tax	2	109.72
3.	Indirect tax	4	7.22

HDFC Trustee Company Limited

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Actions by statutory or regulatory authority	2	69.69
2.	Direct Tax	6	3.88

HDFC Venture Capital Limited

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Direct tax	5	25.06
2.	Indirect tax	2	4.08

HDFC Venture Trustee Company Limited

S. No.	Nature of litigation	Number of cases	Approximate amount involved to the extent quantifiable (₹ *in million*)
1.	Direct tax	2	0.12

For details, see "*Outstanding Litigation and Material Developments*" on page 355, of this Prospectus, including litigation by our Promoters and Group Companies.

We were also impleaded as a proforma party to various litigations, wherein we have been directed by judicial authorities to, amongst other things, freeze folios of identified customers until judicial determination of such litigations. Additionally, in the ordinary course of business, we receive, and respond to, customer complaints pertaining to our schemes or PMS, including in relation to, closed and/ or acquired schemes either directly or through SEBI's complaints redressal forum ("**SCORES**") which may get converted to litigations in future.

26. Our Promoters may be subject to conflicts of interest because of their interests in other companies, which could have a material adverse effect on our business, financial condition, operations and prospects.

One of our Promoters, Standard Life Investments, is involved in the asset management business (including through its Promoter group entities and other members of its group). It is possible that some of our Promoters' affiliates may offer asset management products in some of our future geographical markets and compete with our line of business. Due to such conflicts of interest, our Promoters may make decisions regarding our operations, financial structure or commercial transactions that may not be in our or our other shareholders' best interests. They may also enable a competitor to take advantage of a corporate opportunity at our expense. Such decisions could have a material adverse effect on our business, financial condition, results of operations and prospects. If competitive pressure posed to us by any of our Promoters' affiliates were to increase in the future and we were unable to compete effectively, our business and prospects could be materially harmed. For further details see "*Our Management*" and "*Our Promoter, Promoter Group and Group Companies*" and on pages 219 and 238, respectively.

27. Our Promoters will collectively control approximately 83% of our outstanding Equity Shares (assuming full subscription to the Offer) and have the ability to nominate directors on our Board after the listing, subject to shareholder approval.

Our Promoters will continue to control a significant number of Equity Shares of our Company after the Offer. In view of this, our Promoters, have the ability to exercise, directly or indirectly, a controlling influence over our business, including matters relating to management, business strategies and policies, the timing and amount of the distribution of dividends, the issuance of new Equity Shares, the election of directors, any plans relating to mergers, acquisitions, joint ventures, investments or divestitures and amendments to the Articles of Association. In addition, under the Articles of Association, after listing and subject to shareholder's approval after listing, by way of a special resolution, HDFC shall have the right to nominate (i) up to one Director if its shareholding in our Company is lower than 20%, but not lower than 10%; (ii) up to two Directors if its shareholding in our Company is lower than 30%, but not lower than 20%; (iii) up to three Directors if its shareholding in our Company is lower than 40%, but not lower than 30% but less than 40% of the paid-up Equity Share capital of our Company at that time; and (iv) up to four Directors if in each case, its shareholding in our Company is at least 40%. Similarly, SLI will have the right to nominate (i) up to one Director if its shareholding in our Company is lower than 20%, but not lower than 10%; and (ii) up to two Directors if its shareholding in our Company is at least 20%. Further, upon Deepak Parekh ceasing to be chairman of our Board, while any subsequent chairman of our Company is required to be appointed by the Board, HDFC will have the right to nominate a candidate for the position of chairman as long as it is the largest shareholder of our Company. As undertaken by HDFC, this right to nominate a candidate shall be exercisable post listing only in the event it is approved by way of a special resolution at a general meeting of the shareholders of the Company. HDFC also has the right to nominate its Nominee Directors as members of committees of the Board, as may be constituted from time to time, and SLI has the right to nominate its Nominee Directors as members of (i) the Audit Committee, (ii) the Risk Committee and (iii) the Customer Services Committee, formed by the Board from time to time. As undertaken by each of HDFC and SLI, these rights to nominate their respective nominee directors as members of the above committees, shall be exercisable post listing only in the event they are approved by way of a special resolution at a general meeting of the shareholders of the Company.

The interests of our Promoters as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in favour of our Company or the other shareholders. To the extent that the interests of our Promoters and Promoter Group differ from your interests, you may be disadvantaged by any action that our Promoters and Promoter Group may seek to pursue. For more information, see "*Main Provisions of the Articles of Association*" and "*History and Other Corporate Matters—Details regarding material agreements, acquisition of business/undertakings, mergers, amalgamation and revaluation of assets—Material agreements—Shareholders' Agreement*" on pages 477 and 214 of this Prospectus, respectively.

28. We have entered into certain related party transactions in the past and may continue to do so in the future.

We have entered into transactions with related parties, including our Promoters and with certain Group Companies, pursuant to which we have made payments including commission expense, insurance premium, dividends paid fees for IT solutions & support, fees for sharing of resources on an arm's length basis. Set out below is an overview of the Related Party Transactions entered into by us with related parties as per Accounting Standard 18 in Fiscals 2018, 2017, 2016, 2015 and 2014:

(₹ in millions)

Particulars	Related Party	Year ended March 31				
		2018	2017	2016	2015	2014
Income						
Management fees	Investing Party	19.12	8.69	5.58	5.08	3.17
Expenditure						
Rent	Holding Company	123.09	117.53	117.21	100.27	111.68
Advisory Fees	Holding Company	-	-	28.66	59.77	78.46
Technology Support Cost	Holding Company	18.46	17.49	15.58	14.36	13.39
Administrative & Other	Holding Company	21.28	31.76	41.06	29.45	10.00
Insurance Premium	Fellow Subsidiaries	9.93	9.00	8.34	8.56	7.74
Brokerage Charges	Fellow Subsidiaries	0.04	0.42	0.09	-	-
Performance Fees	Holding Company	-	-	1,082.78	348.53	497.07
Assets						
Deposit	Fellow Subsidiaries	-	-	-	0.04	0.00
Accounts Receivable	Holding Company	17.20	-	-	-	-
	Investing Party	39.11	2.82	1.07	1.65	0.54
	Fellow Subsidiaries	19.59	15.84	31.55	57.33	59.03
Prepaid Insurance Premium	Fellow Subsidiaries	11.74	5.78	5.78	5.34	6.48
Liabilities						
Accounts Payable	Holding Company	16.17	4.48	1,092.58	352.68	504.08
	Fellow Subsidiaries	-	-	0.09	-	-
Other						
Purchase of Fixed Asset	Holding Company	0.70	2.50	3.02	0.60	1.20
	Fellow Subsidiaries	0.05	-	-	-	-
Interim Equity Dividend Paid	Holding Company	1,932.36	1,388.89	1,207.73	981.28	754.83
	Investing Party	1,288.24	925.92	805.15	654.19	503.22
Sale of Fixed Assets	Fellow Subsidiaries	-	0.12	-	-	-

Re-imbursement of expenses to / (from) the Holding company, not considered above, are as follows:

(₹ in millions)

Particulars	Year ended March 31				
	2018	2017	2016	2015	2014
Re-imbursement to / (from)	(2.01)	-	(1.50)	0.08	4.49

(₹ in millions)

Particulars	Year ended March 31				
	2018	2017	2016	2015	2014
Remuneration to Key Management Personnel	70.49	67.34	62.54	65.35	58.98
Interim Equity Dividend Paid	16.64	-	-	-	-

The above remuneration excludes perquisite value towards the value of stock options exercised which were granted under various Employees Stock Option Schemes. The details of the same are as follows:

(₹ in millions)

Particulars	Year ended March 31				
	2018	2017	2016	2015	2014
Perquisite Value	210.40	-	199.65	-	-

For more information on our related party transactions, see "*Related Party Transactions*" on page 260 of this Prospectus.

Certain related party transactions also require the approval of our shareholders (where the related parties are required to abstain from voting on such resolutions). There can be no assurance that such transactions will be approved. There can also be no assurance that we will be able to maintain existing terms, or in case of any future transactions with related parties, that such transactions will be on terms favourable to us in future. While we believe that all of our related party transactions have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. In addition, it is highly likely that we will enter into further related party transactions in the future. Any future transactions with our related parties could potentially involve conflict of interests. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

29. Certain of our Directors and Key Management Personnel may be interested in our Company other than remuneration and reimbursement of expenses.

Certain of our Directors and Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and stock options in our Company and benefits arising therefrom. Our Promoters are also interested in our Company to the extent of their shareholding in our Company. There can be no assurance that our Promoters and our Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. In addition, we have entered into lease/leave and license arrangements with HDFC Limited, one of our Promoters, for lease/leave and license of our Registered Office and certain branch offices, and agreements for certain information technology services. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company/firm/entity in which they are director/promoter/partner. For details, see "*Our Promoters, Promoter Group and Group Companies*", "*Our Management*" and "*Related Party Transactions*" on pages 238, 219 and 260, respectively, of this Prospectus.

30. We cannot ensure that our intellectual property is protected from being copied or used by others, including our competitors, and intellectual property infringement actions may be brought against us.

We have various trademarks associated with our business, operations and products. As at March 31, 2018, we had three trademark applications pending registration.

We use, among others, the name, brand and trademark "HDFC", "HDFC Mutual Fund", "HDFC Asset Management Company" and associated logos in the ordinary course of our business and in our corporate name. The trademark "HDFC" is owned by, and is registered in favour of HDFC. Pursuant to a resolution by HDFC's board of directors, HDFC granted us the non-exclusive right to use the trademark, "HDFC", which is not currently subject to any terms and conditions. However, if for any reason HDFC ceases to be our shareholder and if HDFC so requests, our name shall change to one that does not include the name "HDFC" or anything similar to it. We cannot assure you that HDFC will not withdraw this right or that this right will not be subjected to any terms and conditions in the future. If HDFC were to withdraw this right, or if this is subjected to terms and conditions which are not agreeable to by us, we would be required to change our name and brand, which could require us to expend significant resources to establish new branding and name recognition in the market, which could materially and adversely affect our reputation, business, operations, financial condition and results of operations. Furthermore, we cannot assure you that the "HDFC" brand, which we believe is a well-recognized brand in India due to its presence in the Indian market, will not be adversely affected in the future by events or actions that are beyond our control, including adverse publicity. Any damage to this brand name, if not immediately and sufficiently remedied, could adversely affect our business, financial condition and results of operations.

We may also be subject to claims that we have breached our licensed use of software or otherwise infringed on the intellectual property of third parties, including infringement by service providers who use such licences to provide services to us. Any of the above matters could have a material adverse effect on our business, results of operations, financial performance and the trading price of our Equity Shares.

31. ***Weaknesses, disruptions, failures or infiltrations of, or inadequacies in, our information technology systems and corresponding risk management strategies could have a material adverse effect on our business, financial position operations and prospects.***

We are dependent on the capacity and reliability of the communications, information and technology systems supporting our operations, whether developed, owned and operated by us or by third parties. We are exposed to operational risks, such as trading, data entry or operational errors or interruptions of our financial, accounting, trading, compliance and other data processing systems, whether caused by the failure to prevent or mitigate data losses and other security breaches, or other cyber security threats or attacks, fire or other disaster and power or telecommunications failure, which could result in a disruption of our business, liability to customers, regulatory intervention, or reputational damage, and thus have a material adverse effect on our business. Given our volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified. Our dependence on our automated information technology systems to record and process transactions may further increase the risk that flaws in our technical system will result in losses that are difficult to detect.

We primarily depend on one of our Promoters, HDFC for advice, assistance and infrastructure relating to information technology solutions and support under the terms of an agreement dated August 22, 2017 between our Company and HDFC. Pursuant to this agreement, HDFC provides certain technology related services at its registered office as well as branches of HDFC as usually agreed between the parties from time to time in relation to the hardware and software services in consideration of the fees as prescribed in the agreement. Any interruption or deterioration in performance of these IT systems and services could have a material adverse effect on our business. In the event our arrangements with HDFC are impaired or terminated, we may not be able to find an alternative source of systems support on a timely basis or on commercially reasonable terms, which could result in significant additional costs or disruptions to our business.

Although we have back-up systems and cyber security and consumer protection measures in place, our back-up procedures, cyber defenses and capabilities in the event of a failure, interruption, or breach of security may not be adequate. Insurance and other safeguards we use may not be available or may only partially reimburse us for our losses related to operational failures or cyber-attacks.

As our customer base, number of investment strategies and/or physical locations increase, developing and maintaining our operational systems and infrastructure, and protecting our systems from cyber security attacks and threats may become increasingly challenging and costly, which could constrain our ability to expand our businesses. Any upgrades or expansions to our operations and/or technology to accommodate increased volumes of transactions or otherwise may require significant expenditures and may increase the probability that we will suffer system interruptions and failures.

We may be unable to prevent or address, any disruption to the operation of our information technology system in a timely manner, or upgrade our information technology or communications systems. Any such failure could result in our inability to perform, or result in prolonged delays in the performance of, critical business and operational functions, the loss of key business information and customer data, or a failure to comply with regulatory requirements. Any such failure could also affect our risk management and customer service functions, resulting in a material adverse effect on our business, prospects, financial condition and results of operations. A failure of our information technology or communications systems could damage our reputation and have a material adverse effect on our business, financial condition and results of operations.

32. ***There is a risk that customer data could be lost or misused.***

As part of a financial services group, we maintain significant amounts of highly sensitive customer data, both online and offline. Despite the security measures we have put in place, there remains a risk that such data could be lost and/or misused as a result of an intentional or unintentional act by internal or external parties. For example, we are exposed to cyber threats such as (a) phishing and Trojans-targeting our customers, where fraudsters send unsolicited mails to our customers seeking sensitive customer information or infect customer machines to search and attempt ex-filtration of sensitive customer information; (b) hacking, where attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting our services; and (c) data theft, where cyber criminals may attempt to intrude into our network with the intention of stealing our data or information. Attempted cyber threats fluctuate in frequency but are generally not decreasing in frequency. For example, in June and July 2017, our URL "hdfcfund.com" was reported to have been compromised and exploited by hackers, and our systems were subject to phishing attacks. While we did not face losses as a result of this attack and we got our internal systems audited to ensure that the alleged vulnerability is removed and no information is leaked, we cannot assure you that similar cyber-attacks will not happen in the future or that we would be able to successfully prevent such attacks.

Any security breach, data theft, unauthorised access, unauthorised usage, virus or similar breach or disruption could result in loss or disclosure of confidential information, damage to our reputation, litigation, regulatory investigations or other liabilities. Actual or perceived concerns that our systems may be vulnerable to such attacks or disruptions may deter our customers from using services and result in negative publicity. There is also the risk that our customers may incorrectly blame us and terminate their relationships with us for a cyber-incident or data theft which might have occurred on their own system or that was due to the acts of an unrelated third party. Any such loss or misuse of customer data could result in increased regulatory scrutiny, fines, the need to compensate customers, remediation costs and a negative impact on our reputation, with a consequential impact on sales volumes and persistency levels, and hence adversely impact our business, financial condition and results of operations.

33. ***This Prospectus contains information from third parties and an industry report which we have commissioned from CRISIL Research***

The information in the sections entitled "*Summary of Industry*", *"Summary of Business"*, "*Our Business*" and "*Industry Overview*" on pages 55, 58, 173 and 139, respectively, of this Prospectus includes information that is derived from the Industry Report. We commissioned this report for the purpose of confirming our understanding of the industry in connection with the Offer. Neither we, any of the Promoter Selling Shareholders, any of the BRLMs, nor their associates or affiliates, nor any other person connected with the Offer has verified the information in the Industry Report. CRISIL has advised that while it has taken due care and caution in preparing the report based on information obtained from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the Industry Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of Industry Report or the data therein. The Industry Report highlights certain industry and market data relating to us and our competitors. Such data is subject to many assumptions. 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. Further, such assumptions may change based on various factors. We cannot assure you that CRISIL's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Prospectus. Further, the Industry Report is not a recommendation to invest or disinvest in our Company or any company covered in the Industry Report. CRISIL has stated that it is not responsible for any loss or damage arising from the use of the Industry Report. Prospective customers are advised not to unduly rely on the Industry Report when making their investment decision.

We have not independently verified data obtained from official and industry publications and other sources referred to in this Prospectus and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on a different base or without consents from those used in the industry publications CRISIL have referred to. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate are subject to the caveat that the third-party and statistical data upon which such discussions are based may be incomplete or unreliable. Please see the section entitled "*Industry Overview*" on page 139 of this Prospectus.

Certain financial and non-financial information contained in this Prospectus has been sourced from Computer Age Management System ("**CAMS**") and Our Promoter, HDFC holds 11.09% equity shares in CAMS, as of the date of this Prospectus.

34. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and applicable laws.

Our Company declared, and paid ₹16, ₹92 and ₹80 per Equity Share for Fiscals 2018, 2017 and 2016, respectively, as dividend. The Company declared dividend for Fiscal 2018 on sub-divided equity shares having face value of ₹5/- per share whereas in case of Fiscal 2017 and 2016 , dividend were declared on equity shares having face value of ₹10/- per share. Any dividends to be declared and paid in the future are required to be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Further, declaration and payment of dividends would be subject to our Company's dividend policy, adopted by our Board on March 8, 2018, as per which our Dividend Policy, declaration and payment of dividend, if any, will depend on a number of factors, including profits earned during the year, accumulated reserves, liquidity requirements, brands or business acquisitions, shareholder expectations, taxations provisions, Government policies and other factors, as may be considered relevant by our Board. We may incur additional expenses to grow and sustain our business and accordingly, profit if any, may be retained instead of distribution to the Shareholders. Our historical payment of dividends is not indicative of any payments of dividends in the future. We may be unable to pay dividends in the near or medium term and any payments of dividend would depend on our capital requirements, financial condition and results of operations. For further details, see "*Dividend Policy*" on page 261 of this Prospectus.

35. We may need additional capital in the future, and we cannot assure you that we will be able to obtain such capital on acceptable terms or at all.

Except as disclosed in this Prospectus, we are not raising any capital presently and may require additional capital in the future in order for us to maintain our net worth and capital adequacy requirements, remain competitive, pay operating expenses, meet our liquidity needs and offer new products and services. Our ability to obtain additional capital from external sources in the future is subject to a variety of factors, including:

- our future financial condition, results of operations and cash flows;
- our ability to obtain the necessary regulatory approvals on a timely basis;
- any tightening of credit markets and general market conditions for debt and equity raising activities by competitive companies and other financial institutions; and
- economic, political and social conditions in the geographical markets in which we operate and elsewhere.

We cannot assure you that we will be able to obtain additional capital in a timely manner or on acceptable terms, if at all. Future debt financing could include terms that restrict our financial flexibility or restrict our ability to manage our business freely. Furthermore, the terms and amount of any additional capital raised through issuances of equity securities may result in significant dilution to our shareholders' equity interests.

36. The expansion of our business outside of India raises regulatory risks, which may adversely affect our profit margins and may place additional demands on our resources and employees.

We are expanding our distribution effort into markets outside India. Customers outside India may be adversely affected by political, social and economic uncertainty in their respective home countries and regions, which could result in a decrease in the net customer cash flows that come from such customers. We do not have significant experience in operating outside India and may face additional competition from global players.

The expansion has required and will continue to require us to incur a number of up-front expenses, including those associated with obtaining regulatory approvals and office space, as well as additional ongoing expenses, including those associated with leases, the employment of additional support staff and regulatory compliance. We also expect that operating our business in non-Indian markets generally will be more expensive than in India. Among other expenses, the effective tax rates applicable to our income allocated to some non-Indian markets, which we are likely to earn through an entity that will pay corporate income tax, may be higher than the effective rates applicable to our income allocated to in India, even though the effective tax rates are lower in many non-Indian markets. To the extent that our revenues do not increase to the same degree our expenses increase in connection with our expansion outside India or as a result of foreign exchange conversion rates, our profitability could be adversely affected. Expanding our business into markets outside India may also place significant demands on our existing infrastructure and employees, and increase our expenses, which could adversely affect our results of operation, financial condition and business prospects. Compliance with these regulations may impose significant costs, limit or restrict our ability to do business or engage in certain activities, or subject us to the possibility of civil or criminal actions or proceedings. Further, we, or an employee or intermediaries acting on our behalf could fail to comply with applicable laws and regulations as interpreted by the relevant authorities and, given the complex nature of the risks, it may not always be possible for us to attain compliance with such laws and regulations. Failure to accurately interpret or comply with or obtain appropriate authorizations and/or exemptions under such laws or regulations could expose us to civil penalties, criminal penalties and other sanctions, including fines or other punitive actions. In addition, such violations could damage our business and/or our reputation. Such criminal or civil sanctions, penalties, other sanctions, and damage to our business and/or reputation could have a material adverse effect on our financial condition and results of operations.

37. We are not, and do not intend to become, regulated as an investment company under the U.S. Investment Company Act and related rules.

We have not been and do not intend to become registered as an investment company under the U.S. Investment Company Act of 1940, as amended, or the U.S. Investment Company Act. Accordingly, unlike registered investment companies, we will not be subject to the vast majority of the provisions of the U.S. Investment Company Act, including provisions that require investment companies to have a majority of disinterested directors, provide limitations on leverage and limit transactions between investment companies and their affiliates. None of these protections or restrictions is or will be applicable to us.

If we were to become subject to the U.S. Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the U.S. Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect our operating results and financial performance. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the U.S. Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity, and shareholders in that entity may be entitled to withdraw their investment.

We are relying on the exemption provided by section 3(c)(7) of the U.S. Investment Company Act to avoid being required to register as an investment company under the U.S. Investment Company Act and related rules. In order to help ensure compliance with the exemption provided by section 3(c)(7) of the U.S. Investment Company Act, our Company has implemented restrictions on the ownership and transfer of Equity Shares by any persons acquiring our Equity Shares in Offer who are in the United States or who are U.S. Persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended, or the U.S. Securities Act), which may materially affect your ability to transfer our Equity Shares. See "*Terms of the Offer – Eligibility and Transfer Restrictions*" beginning on page 398.

38. We may have negative cash flows.

The following table sets forth our cash flow for the periods indicated:

	Fiscal year ended March 31,		
(₹ in millions)	**2016**	**2017**	**2018**
Net cash from/(used in) operating activities	7,420.22	4,548.57	6,201.43
Net cash from/(used in) investing activities	(2,970.68)	(1,760.34)	(6,347.63)
Net cash from/(used in) financing activities	(4,465.49)	(2,785.28)	154.11
Net increase/(decrease) in cash and cash equivalents..	(15.95)	2.95	7.91
Cash and cash equivalents at the beginning			11.63

(₹ in millions)	Fiscal year ended March 31, 2016	2017	2018
of the period/year	24.63	8.68	
Cash and cash equivalents at the end of the period/year...	8.68	11.63	19.54

For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 262 and 333, respectively, of this Prospectus, respectively. We cannot assure you that our net cash flows will be positive in the future.

39. We have in the last 12 months issued Equity Shares at a price that could be lower than the Offer Price.

We have in the last twelve months prior to filing this Prospectus, issued Equity Shares at prices that could be lower than the Offer Price. For further details regarding such issuances of Equity Shares, see "*Capital Structure—Notes to Capital Structure*" on page 80 of this Prospectus. Going forward, our Company may continue to issue Equity Shares, including under the ESOS Schemes at prices that may be lower than the Offer Price.

40. Certain of our Group Companies have incurred losses in the preceding fiscal years and may incur losses in the future.

Certain of our Group Companies incurred losses in Fiscal 2016, 2017 and 2018. For further details of our loss making Group Companies, see "*Our Promoters, Promoter Group and Group Companies—Loss making Group Companies*" on page 259 of this Prospectus. There can be no assurance that our Group Companies will not incur losses in the future.

41. Our Company will not receive any proceeds from the Offer and the entire proceeds of the Offer will be paid to the Promoter Selling Shareholders.

The Offer comprises of an offer for sale by the Promoters Selling Shareholders. The entire proceeds from the Offer for Sale will be paid to the Promoter Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale.

42. We are subject to regulatory and legal risk, which may adversely affect our business.

Our operations are subject to regulations framed by various regulatory authorities in India, including regulations relating to foreign investment in India. Compliance with many of the regulations applicable to us, including any requirements and/or restrictions relating to investments made by us, or any activities currently being carried out by our Company, involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we could be subjected to penalties and our business could be adversely affected. We manage our internal compliance by monitoring and evaluating internal controls, and ensuring all applicable statutory and regulatory compliances. However, there can be no assurance that deficiencies in our internal controls has not or will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

Further, we cannot assure you that our Company will not be subject to any action, including monetary penalties, by the relevant regulatory authorities on account of non-compliance of relevant regulatory requirements, which may adversely affect our business and/or reputation.

43. Our registered office, corporate office and other office premises are not owned by our Company. Certain of the lease agreements in relation to our properties taken on leasehold basis are not registered and/or adequately stamped.

Our registered and corporate office is situated at HDFC House, 2nd floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020, Maharashtra, India. We do not own our Registered Office premises. We have entered into a leave and license agreement dated July 19, 2017 with HDFC Limited, to use the registered office until March 31, 2022. We cannot assure that once the lease period is over or otherwise terminated, we will be able to renew the lease period or enter into a new lease arrangements at favourable terms or at all. Upon expiration or termination of the lease, in case we are unable to renew or enter into a new lease agreement, we cannot assure that we will be able to find a similar office premises in and around the same location at commercially favourable terms and in a timely manner. This may lead to disruption of our business operations.

Further, lease agreements in relation to certain of our branches are not registered or adequately stamped as required under Indian law. Failure to adequately stamp and register a document does not affect the validity of the underlying transaction but renders the document in admissible in evidence (unless stamped prior to enforcement with payment of requisite penalties, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by public officer. Consequently, should any dispute arise in relation to our use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties.

44. Our insurance coverage may not be adequate to protect us against all potential losses, which may have a material adverse effect on our business, financial condition and results of operations.

Our operations are subject to various risks inherent in the financial sector, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. We maintain insurance for our operations in India, including for all of our tangible fixed assets, through third-party insurers in India. None of our insurance policies are assigned in favour of any third-party. We may not have identified every risk and further may not be insured against every risk, including operational risk that may occur and the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate, could materially harm our results of operations, financial condition and cash flows. There can be no assurance that any claims filed will be honoured fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage. In addition, we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at all.

45. We are subject to various labour laws and regulations governing our relationships with our employees and contractors.

Our full-time employees are entitled to statutory employment benefits, such as a defined benefit gratuity plan, among others. In addition to our employees, we empanel agencies for our outsourcing requirements and engage persons on a contractual basis. We are subject to various labour laws and regulations governing our relationships with our employees and contractors, including in relation to minimum wages, working hours, overtime, working conditions, hiring and terminating the contracts of employees and contractors, contract labour and work permits.

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

Currently, none of our workforce is unionized. If in the future any portion of our workforce were to join a union, it is possible that future calls for work stoppages or other similar actions could have a material adverse impact on our day-to-day operations, until disputes are resolved. Any changes or amendments in the industry wide settlement or periodical wage revisions may materially and adversely affect our business, future financial performance, results of operations and cash flows.

46. We may be subject to pressures to reduce our investment management fees or portfolio management fees or fees from advisory services, which could reduce our revenue and profitability.

The fees for our income and liquid funds have been considerably lower than the levels prescribed by SEBI. From time to time we encounter fee pressure in our dealings with high net worth individuals, corporate entities and other institutional investors in respect of the products. Asset management/advisory fees tend to be low for Government-sponsored business, institutional customers managed under the portfolio management services and/or investment management and advisory services. In addition, customers to whom we provide portfolio management services also exert pressure on us to reduce our fees. In order for us to maintain our fee structure in a competitive environment, we must be able to provide customers with superior investment returns and service that will encourage them to be willing to pay our fees. We may not be able to maintain our current fee structure. Fee reductions on existing or future business would have an adverse impact on our income and profitability.

47. ***We may not be able to fully comply with anti-money-laundering, insider trading and anti-terrorism rules and regulations, which could result in criminal and regulatory fines and severe reputational damage.***

Although we have implemented comprehensive anti-money laundering ("**AML**"), ''know your customer'' (''**KYC**'') and insider trading policies and procedures and seek to adhere to all requirements under Indian law, there can be no assurances that these policies and procedures will be completely effective. If we fail in the future to comply with timely reporting requirements or other AML, KYC or insider trading regulations, or are associated with money laundering or terrorist financing, our reputation, business, financial condition, results of operations or prospects could be adversely affected. In addition, involvement in such activities may carry criminal or regulatory fines and sanctions.

External Risk Factors

48. ***The mutual fund business in India may be adversely affected by changes to the present favourable tax regime.***

Any adverse development in fiscal laws, applicable to mutual fund companies, discontinuance of tax exemptions in relation to mutual fund income, dividend income, tax free bonds, change in applicability of minimum alternate tax rates and any discontinuance of tax benefits to customers on purchase of mutual fund products, may materially and adversely affect our operations financial condition and future business prospects.

Changes in tax laws/regulations, interpretations of such laws or regulations or failure to comply with procedures laid down under such laws/regulations may have a material adverse effect on our business, financial condition and operations. If, as a result of a particular tax risk materialising, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of those transactions. In addition, the design of our mutual fund products takes into account a number of factors, including risks and taxation.

We cannot predict whether any tax laws or regulations impacting mutual fund products will be enacted, the nature and impact of the specific terms of any such laws or regulations would have a material adverse effect on our business, financial condition and operations.

49. ***Our operations are dependent on the performance of the Indian economy and securities market.***

The growth in our business has been directly related to the growth in the Indian economy, specifically the growing GDP and growing household savings. There have been periods of slowdown in the economic growth of India or periods were inflation was high. Such economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall, which affects agricultural production. Any slowdown or reversal in the growth of the Indian economy could result in a reduction in wealth in the Indian economy that can be diverted to savings and investment, a reduced interest in investment in the securities market and reduced foreign investment. Any such reductions could result in a reduction in our AUM or the investment management fees we can charge for our services.

Additionally, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business. Any adverse revisions to India's sovereign debt ratings may also adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could adversely affect our business, prospects, financial condition and results of operations and our ability to obtain refinancing, as well as the trading price of the Equity Shares / Fixed Income securities.

India has experienced some of the highest levels of inflation measured by consumer price index of any of the 34 member states of the Organisation for Economic Cooperation and Development ("**OECD**"), during the period from 2012 through 2014, according to the OECD. The wholesale price index ("**WPI**") inflation rate in India was 2.84% (provisional) for the month of January 2018 (over January 2017) as compared to 3.58% (provisional) for the previous month and 4.26% during 2017 (*Source: Index Numbers of Wholesale Price in India, Review for the month of January 2018, published on February 15, 2018 by Government of India,* *Ministry of Commerce and Industry*). Although the Government has initiated several economic measures to curb the rise in inflation rates, it is unclear at this stage whether these measures will have the desired effect. A rise in inflation rates may adversely affect growth in the Indian economy and our results of operations.

50. Difficult conditions in the global capital markets and the economy generally have affected and may continue to affect our business, prospects, financial condition and results of operations.

The Indian economy may be affected by changes in Government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. In the past, economic developments outside India have adversely affected the markets in which we operate and our overall business. For instance, recent concerns relating to the U.S. Federal Reserve's decision to raise interest rates in the United States have led to increased volatility, particularly in the stock and currency markets in emerging economies. In addition, on June 23, 2016, the United Kingdom held a referendum on its membership of the European Union and voted to leave ("**Brexit**"). There is significant uncertainty at this stage as to the impact of Brexit on general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. In addition, China is one of India's major trading partners, and there are rising concerns of a possible slowdown in the Chinese economy. Furthermore, the sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets.

If there is a tightening of credit in financial markets globally, this could also affect the Indian market and debt could become significantly more expensive for us. We may not be able to arrange for debt financing for our capital requirements at all or debt financing which is available to us may not be on commercially acceptable terms; as a result, we may experience material cash flow problems. Any economic downturn could affect the overall sentiment of the market. We are unable to predict the likely duration and severity of any future disruption in financial markets and adverse economic conditions in India, the United States and other countries, which may cause material adverse impact to our business and operating results.

51. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian economy is influenced by economic and market conditions in other countries, including, but not limited to, the conditions in the United States, Europe and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition, results of operations and the price of our Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. In Europe, Brexit, and any prolonged period of uncertainty which results, could have a significant negative impact on international markets. These could include further falls in stock exchange indices and/or greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets.

There are also concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In particular, there are rising concerns of a possible slowdown in the Chinese economy, and China is one of India's major trading partners. Such factors might also result in a slowdown in India's export growth momentum.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares. Adverse economic developments overseas in countries where we have operations could have a material adverse impact on us and the trading price of the Equity Shares.

52. ***Political, economic and social developments in India could adversely affect our business.***

Our current operations are conducted primarily in India and are subject to special considerations and significant risks typical for India. These include risks associated with, among others, the political, economic and legal environments and foreign currency exchange rate fluctuations.

Our results may be adversely affected by changes in the political and social conditions in India, and by changes in governmental policies with respect to laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation, among other things. Volatility in social and political conditions in India may interrupt, limit or otherwise affect our operations. We continue to experience sporadic disruptions and disturbances at our branches located in certain states in India, which tend to be more prone to protests or union activity involving persons other than our employees. Additionally, we cannot ensure that our employees may not join such unions in future. This could have an adverse effect on our business and results of operations in those states.

The central and state governments serve multiple roles in the Indian economy, including as producers, consumers and regulators, which have significant influence on the mutual fund industry and us. Economic liberalization policies have encouraged foreign investment in the financial sector, and changes in these governmental policies could have a significant impact on the business and economic conditions in India in general and the financial sector in particular, which in turn could adversely affect our business, future financial condition and results of operations. In addition, any military activity, terrorist attacks or other adverse social, economic and political events could adversely affect our business prospects. The occurrence of any of these events may result in a loss of investor confidence, which could potentially lead to economic recession and generally have an adverse effect on our business, results of operations and financial condition. Our insurance policies do not cover loss of business from terrorist attacks, war or civil unrest.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares.

53. Public companies in India, including our Company, are required to compute income tax under the ICDS. The transition to ICDS in India is very recent and we may be negatively affected by such transition.

The Ministry of Finance had issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and IND AS. It is often seen that ICDS-based calculations of taxable income can differ from Indian GAAP or IND AS-based concepts and they can have the effect of requiring taxable income to be recognised earlier, increasing overall levels of taxation or both. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operation and financial conditions.

54. Any anticipated measures undertaken by the Government of India or any regulatory authority such as the recent demonetisation measures may adversely affect our business, financial condition and results of operations.

On November 8, 2016, the Government of India announced phasing out of large-denomination currency notes (₹500 and ₹1,000, representing the bulk of the total currency in circulation) as legal tender. These were immediately replaced with new ₹500 and ₹2,000 currency notes. Unexpected demonetisation weighed on economic growth in the third quarter of Fiscal 2017 and, to a certain extent, on the growth of some of our distribution partners. Any such unanticipated measures undertaken by the Government of India or any regulatory authority may adversely affect our business, financial condition and results of operations.

55. ***Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

Our Restated Financial Information included in this Prospectus are prepared and presented in conformity with compliance to the Companies Act and restated under the ICDR Regulations, consistently applied during the periods stated, except as provided therein, and no attempt has been made to reconcile any of the information given in this Prospectus to U.S. GAAP or IFRS or any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, including U.S. GAAP or IFRS.

Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on your familiarity with Indian GAAP, the Companies Act, and the ICDR Regulations. Any reliance by persons not familiar with Indian GAAP, or these laws and regulations, on the financial disclosures presented in this Prospectus should accordingly be limited.

In addition, one of our Promoters, HDFC, discloses certain financial information regarding our Company in Indian GAAP. In the past, our Promoters have also disclosed information regarding our business at different times than us and any such disclosure may not have the same presentation as any disclosure by us. We cannot assure you that our Promoters will not in the future disclose information regarding our business that we have not disclosed and with a different presentation from what investors in the Equity Shares are used to. All consideration of financial, and other, information with regard to an investor's decision whether or not to invest in this Offering should be made on the basis of the Restated Financial Information and other information herein presented and not to any documents published by our Promoters.

56. ***Changes in the accounting standards used in the reporting of our financial statements due to new pronouncements such as IND AS, interpretations, migration to new standards or even due to our own decision to change accounting policies may significantly affect our financial statements for the future years, and may materially and adversely affect our financial condition.***

We currently prepare our statutory financial statements in accordance with accounting principles generally accepted in India ("**Indian GAAP**"), in compliance with the accounting standards notified under the Companies Act further amended by Companies (Accounting Standards) Amendment Rules, 2016, read together with paragraph 7 of the Companies (Accounts) Rules, 2014.

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. Subsequently, the Ministry of Corporate Affairs ("**MCA**") issued the Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016 ("**Amendment Rules**") applicable for accounting periods commencing on or after March 30, 2016. From Fiscal 2019, we will be required to prepare our financial statements in accordance with IND AS. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements were historically prepared, our financial statements for the period commencing April 1, 2018 may not be comparable to our historical financial statements that were prepared under Indian GAAP.

We have made no attempt to quantify or identify the impact of the differences between Indian GAAP and IND AS applied to our Restated Financial Statements. We cannot assure you that our financial condition, results of operation and cash flow will not be presented differently under IND AS than under Indian GAAP. Further, when we adopt IND AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information may vary depending on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should accordingly be limited. See "*Summary of Significant Differences between Indian GAAP and IND AS*" for a summary of certain qualitative differences between Indian GAAP and IND AS on page 324 of this Prospectus

The possible impact of IND AS on our financial reporting, the nature and extent of such impact is uncertain. There can be no assurance, that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IND AS than under Indian GAAP. In our transition to IND AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems.

Moreover, although we currently have an internal control framework in place in order to report our financial statements under Indian GAAP, we will have to modify our internal control framework and adopt new internal controls in order to report under IND AS. These new internal controls will require, amongst others, a transition to more model-based evaluation of certain items, as well as staff that are adequately knowledgeable with IND AS. There is no guarantee that we will be able to implement effective internal controls under IND AS in a timely manner or at all and any failure to do so could materially adversely affect our results of operations, financial condition and cash flows.

57. It may not be possible for you to enforce a judgment obtained outside India, including in the United States, against our Company or any of our Directors and executive officers that are resident in India, except by way of a suit in India on such judgment.

We are incorporated under the laws of India and most of our Directors and executive officers reside in India. Furthermore, substantially all of our Company's assets are located in India. As a result, you may be unable to effect service of process in jurisdictions outside India, including in the United States, upon our Company or such persons, or enforce in Indian courts judgments obtained in courts of jurisdictions outside India against our Company, including judgments predicated upon the civil liability provisions of securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended, (the "**Civil Code**"). The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

The United Kingdom, Singapore and Hong Kong have been declared by the Government of India to be reciprocating territories for purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit on the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

The party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action were brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with Indian practice and public policy. It is uncertain whether an Indian Court would enforce foreign judgement that would contravene or violate Indian law. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the Reserve Bank of India ("**RBI**") to repatriate any amount recovered and may be subject to tax in accordance with applicable tax laws in India.

58. Our business and activities are regulated by the Competition Act, 2002.

The Competition Act, 2002, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India ("**CCI**"). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for the implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India.

59. Terrorist attacks, civil disturbances and regional conflicts in South Asia may have a material adverse effect on our business.

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighbouring countries. These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business and future financial performance. There can be no assurance that such situations will not recur or be more intense than in the past. Terrorist attacks and other acts of violence or war may adversely affect global markets and economic growth. These acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business, results of operations and financial condition. Such violence may have an adverse impact on the Indian and worldwide financial markets. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. India has witnessed localized terrorist attacks, including the terrorist attacks in Mumbai in 2008 and 2011, in New Delhi in 2011, in Pathankot in 2016 and threats of war from our neighbouring countries. Such incidents could also create an increased perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business.

60. Natural calamities and health epidemics could adversely affect the Indian economy.

India has experienced natural calamities, such as earthquakes, floods and drought in the past. Natural calamities could have an adverse impact on the Indian economy which, in turn, could adversely affect the our business, and may cause damage to our infrastructure and the loss of business continuity and business information. Similarly, global or regional climate change or natural calamities in other countries where we may operate could affect the economies of those countries. There have been outbreaks of diseases in the past. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business.

61. We may be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. holders of Equity Shares.

A non-U.S. corporation will be classified as a passive foreign investment company (a "**PFIC**") for any taxable year if either: (a) at least 75% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. Based on the current and anticipated composition of our income, assets and operations and the expected price of the Equity Shares in this Offer, we do not expect to be treated as a PFIC for the current taxable year or in the foreseeable future. However, whether we are treated as a PFIC is a factual determination that is made on an annual basis after the close of each taxable year. This determination will depend on, among other things, the ownership and the composition of the income and assets, as well as the value of the assets (which may fluctuate with our market capitalization), of the Company and its subsidiaries from time to time. Moreover, the application of the PFIC rules is unclear in certain respects. The Internal Revenue Service or a court may disagree with our determinations, including the manner in which we determine the value of our assets and the percentage of our assets that are passive assets under the PFIC rules. Therefore there can be no assurance that we will not be classified as a PFIC for the current taxable year or for any future taxable year. If we were treated as a PFIC for any taxable year during which a U.S. investor held Equity Shares, such U.S. investor could be subject to adverse U.S. federal income tax consequences.

62. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Offer until the Offer receives the appropriate trading approvals.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence on the stock exchanges. Pursuant to the Offer, Investors' demat accounts with depository participants in India are expected to be credited and trading of the Equity Shares is expected to commence within six working days from the Offer Closing Date. There is no assurance that the Equity Shares will be credited to investors' demat accounts, or that the transactions contemplated above will be completed in time, or that listing and trading approval would be obtained within the time periods specified above. Any delay in crediting the equity shares pursuant to the Offer in your demat account or obtaining final listing and trading approvals would restrict your ability to dispose of Equity Shares.

63. There is no assurance that our Equity Shares will remain listed on the stock exchange.

Although it is currently intended that the Equity Shares will remain listed on the Stock Exchanges, there is no guarantee of the continued listing of the Equity Shares. Among other factors, we may not continue to satisfy the listing requirements of the Stock Exchanges. Accordingly, Shareholders will not be able to sell their Equity Shares through trading on the Stock Exchanges if the Equity Shares are no longer listed on the Stock Exchange.

64. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

Risks Related to the Offer

65. The trading volume and market price of the Equity Shares may be volatile following the Offer and could adversely affect the price of the Equity Shares.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of research analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- conditions in financial markets, including those outside India;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;

- announcements by third parties or governmental entities of significant claims or proceedings against us;

- new laws and governmental regulations or changes in laws and governmental regulations applicable to our industry;

- additions or departures of key management personnel;

- fluctuations in volume; and

- general economic and stock market conditions.

Changes in relation to any of the factors listed above could affect the price of the Equity Shares.

66. Foreign investors are subject to restrictions prescribed under Indian laws that may limit our ability to attract foreign investors, which may have a material adverse impact on the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

67. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

68. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

69. U.S. regulation of investment activities may negatively affect the ability of banking entities to purchase our Equity Shares.

The Volcker Rule, generally prohibits certain "banking entities" from engaging in proprietary trading, or from acquiring or retaining an "ownership interest" (as defined therein) in, sponsoring or having certain relationships with "covered funds", unless pursuant to an exclusion and exemption under the Volcker Rule. As we are relying on an analysis that our Company does not come within the definition of an "investment company" under the U.S. Investment Company Act because of the exception provided under section 3(c)(7) thereunder, our Company may be considered a "covered fund" for purposes of the Volcker Rule. The following would be considered a "banking entity" subject to the Volcker Rule: (i) any U.S. insured depository institution, (ii) any company that controls an U.S. insured depository institution, (iii) any non-U.S. company that is treated as a bank holding company for purposes of Section 8 of the International Banking Act of 1978 (that is, a non-U.S. company that maintains a branch, agency or commercial lending office in the U.S.) and (iv) any affiliate or subsidiary of any of the foregoing under the U.S. Bank Holding Company Act, other than a "covered fund" that is not itself a banking entity under clauses (i), (ii) or (iii), above.

There may be limitations on the ability of "banking entities" to purchase or retain our Equity Shares in the absence of an applicable Volcker Rule exclusion or exemption. Consequently, depending on market conditions and the "banking entity" status of potential purchasers of our Equity Shares from time to time, the Volcker Rule restrictions could negatively affect the liquidity and market value of our Equity Shares.

Each investor must make its own determination as to whether it is a "banking entity" subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares. Investors are responsible for analysing their own regulatory position and none of our Company, the BRLMs or any other person connected with the Offer makes any representation to any prospective investor or holder of our Equity Shares regarding the treatment of our Company under the Volcker Rule, or to such investor's investment in the our Company at any time in the future.

70. You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realised on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long term capital gains and any long term capital gain in excess ₹100,000 are subject to tax at 10% from April 1, 2018 in India if Securities Transaction Tax ("**STT**") has been paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any long-term gain realised on the sale of equity shares, which are sold other than on a recognised stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

71. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to SEBI Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares.

72. The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, such market for the Equity Shares will be liquid. The Offer Price of the Equity Shares is proposed to be determined through the Book-Building Process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

73. ***The determination of the Price Band is subject to various factors and assumptions and the Offer Price may not be indicative of the trading price of the Equity Shares, upon listing on the Stock Exchanges subsequent to the Offer. Further, the current trading price of equity shares listed pursuant to certain past issues handled by the BRLMs is below their respective issue price.***

    The determination of the Price Band is based on various factors and assumptions, and was determined by our Company and the Promoter Selling Shareholders in consultation with the BRLMs. Further, the Offer Price of the Equity Shares was determined by our Company and the Promoter Selling Shareholders in consultation with the BRLMs through the Book Building Process. This price is based on certain factors, as described under "*Basis for Offer Price*" on page 122 of this Prospectus and may not be indicative of the trading price of the Equity Shares, upon listing on the Stock Exchanges subsequent to the Offer. The trading price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure that you will be able to resell the Equity Shares at or above the Offer Price. In addition to the above, the current trading price of equity shares listed pursuant to certain past issues handled by the BRLMs is below their respective issue price. For further details regarding the track record of the public issues handled by the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI.

74. ***Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.***

    Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could affect our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

Prominent Notes

- Initial public offering of 25,457,555 Equity Shares^ for cash at a price of ₹ 1,100 per Equity Share, aggregating ₹ 28,003.31 million^ through an offer for sale of 8,592,970 Equity Shares^ by HDFC and 16,864,585 Equity Shares^ by Standard Life Investments. The Offer comprises a Net Offer to the public of 22,177,555 Equity Shares^, a reservation of 320,000 Equity Shares^ (constituting up to 0.15% of our post-Offer paid up Equity Share capital) for purchase by the Eligible HDFC AMC Employees for cash at a price of ₹ 1,100 per Equity Share aggregating ₹ 352.00 million^, a reservation of 560,000 Equity Shares^ (constituting up to 0.26% of our post-Offer paid up Equity Share capital) for purchase by the Eligible HDFC Employees for cash at a price of ₹1,100 per Equity Share aggregating up to ₹ 616.00 million^ and a reservation of 2,400,000 Equity Shares^ (constituting up to 1.13% of our post-Offer paid up Equity Share capital) for purchase by Eligible HDFC Shareholders for cash at a price of ₹ 1,100 per Equity Share aggregating ₹ 2,640.00 million^. The Offer and the Net Offer shall constitute 12.01% and 10.46% of the post-Offer paid-up Equity Share capital of our Company, respectively.
  ^Subject to finalisation of Basis of Allotment

- As at March 31, 2018, our Company's net worth was ₹ 21,599.68 million as per our Company's Restated Financial Information.

- The average cost of acquisition of Equity Shares, by our Promoters is:

Name of Promoter	Number of Equity Shares Held	Average cost of acquisition (in ₹)
HDFC	120,772,800	19.53
Standard Life Investments	80,515,200	15.01

- As at March 31, 2018, the net asset value per Equity Share was ₹102.58 as per our Company's Restated Financial Information.

- Except as disclosed in the sections, "*Our Promoters, Promoter Group and Group Companies*" and "*Related Party Transactions*" on pages 238 and 260 of this Prospectus, respectively, none of our Group Companies have any business or other interests in our Company.

- There has been no financing arrangement whereby the members of our Promoter Group, directors of our Promoters, our Directors, or any of their respective relatives have financed the purchase by any other person of securities of our Company other than in the ordinary course of their business during the six months preceding the date of the Draft Red Herring Prospectus and until the date of this Prospectus.

- There have been no changes in the name of our Company since incorporation.

- For details of related party transactions entered into by our Company with our Group Companies, the nature of transactions and the cumulative value of transactions, see "*Related Party Transactions*" on page 260 of this Prospectus.

- Bidders may contact any of the BRLMs who have submitted the due diligence certificate to SEBI for any complaints pertaining to the Offer. For further details of the BRLMs, including contact details, see "*General Information*" on page 70 of this Prospectus.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

Macroeconomic Overview

The Indian economy grew at a compounded annual growth rate ("**CAGR**") of 6.9% (Gross Domestic Product ("**GDP**") at constant Fiscal 2012 prices) between Fiscals 2012 and 2017, driven by consumption, even as investment – the other growth engine – remained sluggish. Growth between Fiscals 2012 and 2013 was tepid as income growth was slow, and inflation and interest rates were high, but picked up from Fiscal 2014 with the improvement in industrial activity, lower crude oil prices, fall in inflation, and supportive government policies. However, Fiscal 2017 saw it come off, because of demonetisation, dwindling private investment and slower global growth. India is one of the fastest-growing economies in the world, with growth rate higher than many emerging and developed economies. Over the past three years, the economy has witnessed a gradual improvement on the macroeconomic front, supported by prudent fiscal and monetary policies, targeted towards improving the growth-inflation mix.

CRISIL Research expects the pace of economic growth to pick up in the medium term, as structural reforms, such as GST and the Bankruptcy Code, which are aimed at de-clogging the economy and raising the trend rate of growth, respectively, begin to have an impact. Assuming the monetary and Fiscal policies remain prudent, these reforms would lead to efficiency gains and improve the prospects for sustainable high growth in years to come. Improving macroeconomic environment (softer interest rates and stable inflation), urbanisation, rising middle class, and business-friendly government reforms will drive growth in the long term. As per the IMF, the Indian economy is projected to log 7.6% CAGR in the next five Fiscals.

Strong growth foreseen in household financial savings

India has historically been and is expected to remain a savings economy. The gross domestic savings rate (as a percentage of GDP) is higher than those of major economies such as the US, the UK, France, Japan and Germany. As of 2016, India's gross domestic savings rate stood at 29%, compared with the global average of 25%. Household savings in India has witnessed a growth from ₹20.7 trillion in Fiscal 2012 to ₹24.8 trillion in Fiscal 2017, although its share as a percentage of GDP remained subdued during the period. The past two years have seen a quantum spurt in investments into capital markets, with the household allocation to shares and debentures increasing from 2% in Fiscal 2015 to 10% in Fiscal 2017 as well as a sharp increase in the mutual fund assets under management (**"AUM"**). For the period March 2014 to March 2018, the individual investors' AUM grew at a CAGR of 31.2% to ₹11.7 trillion. In Fiscal 2019, CRISIL Research expects CPI inflation to inch up to around 4.6%. Over the long term, too, the RBI is committed to keep inflation low and range-bound. Lower inflation gives an impetus to overall savings, as people can save more. CRISIL Research expects financial savings to increase with the government's strong stance against black money and diminishing attractiveness of real estate and gold, along with improvement in financial education among households and measures taken towards financial inclusion.

Current scenario

Robust AUM growth since Fiscal 2013, due to the rising individual investors' participation and equity market

The mutual fund industry's AUM grew at a CAGR of 24.9% from ₹7 trillion as of March 2013 to ₹21.4 trillion as of March 2018, supported by strong investor inflows. During the past five fiscals, the industry witnessed a net inflow of ₹9.1 trillion. Fiscals 2017 and 2018 have been remarkable for the industry, attracting around 68% of the ₹9.1 trillion net inflow, with equities leading the charge. Equity-oriented funds (including balanced and excluding exchange traded funds ("ETFs")) attracted 60% of the total net inflows in Fiscals 2017 and 2018. Supported by these strong inflows, growing participation from individual investors and rising equities, the industry's assets surged 42.3% in Fiscal 2017 and 21.7% in Fiscal 2018, catapulting above the milestone figure of ₹21 trillion.

The AUM of equity-oriented funds grew at a CAGR of 37.3% from ₹1.9 trillion as of March 2013 to ₹9.2 trillion as of March 2018, faster than the debt segment's 14.6% CAGR during the same period. The ETF segment also saw robust growth, because of recent move by the Employees' Provident Fund Organisation ("EPFO") to invest a portion (currently 15%) of the corpus in equities. The AUM of liquid/money-market funds too grew at a rapid pace of 29.1%, supported by corporate investments and stable returns.

Strong growth of the mutual fund industry can largely be attributed to higher financial savings combined with growing investor awareness of such products. CRISIL Research believes the structural reforms, coupled with the formalisation of the economy and growing financial inclusion, would encourage more investors to have mutual funds in their financial savings basket.

Mutual funds have emerged as a strong counterweight to foreign institutional investors ("FIIs")

The strong inflows into equity mutual funds during the recent years have emerged as a stabilising factor. For instance, in Fiscal 2016, while FIIs/foreign portfolio investors ("**FPIs**") sold equities worth ₹142 billion (net), mutual funds were net buyers (worth ₹661 billion). In Fiscal 2018, net investment of FIIs/FPIs in equities was ₹256 billion vs mutual funds' ₹1.4 trillion.

Systematic Investment Plans ("SIPs") book size has doubled since April 2016

Systematic wealth accumulation has gained significance in the recent months, especially among individual investors. The total number of SIPs constituted around 41% and 26% of the total equity fund flows (including balanced and excluding ETFs) in Fiscals 2017 and 2018, respectively.

The SIP book size increased from ₹31.2 billion as of April 2016 to a whopping ₹71.2 billion as of March 2018.

Investor profile of the industry

AUM attributable to individual investors has witnessed the fastest growth among investor categories. They grew at a CAGR of 31.2% from March 2014 to March 2018. With the recent surge in individual investors' participation in mutual funds, they have shown a growing preference for equity-oriented funds. They tend to invest a higher proportion of their assets in equity-oriented funds, which are positioned as long-term investment products. Corporates had the majority share (91%) of AUM attributable to institutional investors, followed by banks and FIs with 8% and FIIs/FPIs with 1% as of March 2018. The majority of corporate investments are into debt and liquid/money-market funds. However, allocation to equities increased from 4.2% as of March 2014 to 13% as of March 2018. Banks and financial institutions had 97% of their investments in debt and liquid/money-market funds. For FIIs/FPIs, the share of equity was significant around 50%.

It is seen that lower holding periods are dominated by corporate investments, which comprise hot institutional liquid/money-market flows. This category is generally used for parking money for shorter tenures. As we go up the holding-period buckets, the individual investors hold the majority share, as they tend to invest a higher proportion of their assets in equity-oriented funds, which are positioned as long-term investment products.

Industry Outlook

A pick-up in economic growth, growing investor base, higher disposable income and investable surplus, increasing financial savings and government schemes focusing on increasing awareness, ease of investing, digitalisation, and perception of mutual funds as long-term wealth creators, and increasing geographical penetration will be key facilitators of growth. The mutual fund industry's revenue is expected to grow at a CAGR of 25% to around ₹184 billion by Fiscal 2019. Commensurately, net profit is expected to grow to around ₹45 billion at a CAGR of 24.3% by Fiscal 2019. While the revenue growth will be driven by the growth in AUM, growing allocation to equity-oriented funds, which generally charge higher investment management fees (on actively managed equity funds) than other categories, will be a major contributor. In addition, revenue from other streams, including portfolio management services ("**PMS**"), alternative investment funds ("**AIFs**") and offshore advisory services, are also expected to grow at a healthy pace. AUM growth in the PMS and AIF verticals would be driven by the HNIs segment, given the growing appetite and preference for such high-ticket investments.

Overall, the industry's profitability is expected to remain stable in the near term, supported by robust growth in AUM. We expect a gradual decrease in the percentage of investment management fees charged by fund houses to manage the AUM, primarily owing to higher competition and tighter regulations. Rising competition will also drive increased spending by AMCs on marketing related activities. However, these would be offset by an improvement in employee efficiency.

Growth Drivers

CRISIL Research's analysis shows that the industry's AUM will grow from ₹20.6 trillion (excluding gold ETFs and FOF) as of March 2018 to ₹48.4 trillion by March 2023, clocking a robust CAGR of 18.6%. The mutual fund industry's revenue is expected to grow at a CAGR of 25% to around ₹184 billion by Fiscal 2019. Commensurately, net profit is expected to grow to around ₹45 billion at a CAGR of 24.3% by Fiscal 2019.

Over the years, equity mutual funds have emerged as a favoured investment vehicle for long-term wealth creation. For e.g., ₹1,000 invested in equity funds (represented by the CRISIL-AMFI Equity Fund Performance Index) on December 31, 2007, would have grown to 2.2 times until March 28, 2018, compared with 1.9 times, 2 times and 1.9 times of the Nifty 50, Nifty 500 and S&P Bombay Stock Exchange ("**BSE**") Sensex indices, respectively, over the same time span.

The top 15 ("**T-15**") cities held the majority of the mutual fund assets with a share of 81% as of March 2018. However, assets of beyond 15 ("**B-15**") cities have grown faster at 32.3% CAGR compared with 24.9% for T-15 cities between March 2014 and March 2018. As of March 2018, the assets pertaining to B-15 cities stood at ₹4.3 trillion.

To boost awareness among investors, the SEBI has directed AMCs to annually set aside at least 2 bps of daily net assets for investor education and awareness initiatives. It has also allowed celebrity endorsements at the industry level to boost the awareness of mutual funds among investors. With the AUM from B-15 cities reaching 19% of the total AUM (as of December 2017), SEBI, in February 2018, has permitted the additional 30 bps total expense ratio to be charged in beyond 30 ("**B-30**") cities instead of B-15 cities. These measures are expected to enhance participation from smaller towns. Retirement planning has a huge potential for getting tapped in India and, if channelled through mutual funds, can significantly improve penetration among greater number of Indian households.

Technology to be a key enabler for growth

Technology is expected to play a pivotal role in taking the financial sector to the next level, by helping surmount the challenges stemming from India's vast geography and the fact that physical footprints in smaller locations are commercially unviable.

Competitive Scenario

As of Fiscal 2018, the mutual fund industry comprised 41 players, of which, 25 are sponsored by private companies, seven each are sponsored by public and foreign institutions, and two are sponsored by financial institutions.

ICICI Prudential Mutual Fund and HDFC Mutual Fund together had over a fourth of the industry's AUM as of March 2018. The top five players, based on annual average AUM ("**AAAUM**") each year, have shown a steady increase in share of AUMs, with their share increasing from 55% in Fiscal 2014 to 57% in Fiscal 2018. The AUM share of the next five AMCs stood at 24% as of March 2018. Overall, the top 10 AMCs had an asset base of ₹18.6 trillion (quarterly average AUM), implying 81% of the industry's AUM.

The trend analysis of the market shares of top five players indicates that HDFC Mutual Fund, ICICI Prudential Mutual Fund and Reliance Mutual Fund have consistently maintained the top three positions during the past five Fiscals, with a combined share of around 37%. While Aditya Birla Sun Life Mutual Fund consistently stayed in the fourth position with around 10% share, SBI Mutual Fund replaced UTI Mutual Fund as the fifth largest fund house in Fiscal 2017.

SUMMARY OF OUR BUSINESS

We have been the most profitable asset management company in India in terms of net profits since Fiscal 2013, according to CRISIL. We had a total AUM of ₹2,919.85 billion as of March 31, 2018. Our profits have grown every year since the first full year of operations in Fiscal 2002. We have been the largest asset management company in India in terms of equity-oriented AUM since the last quarter of Fiscal 2011 and have consistently been among the top two asset management companies in India in terms of total average AUM since the month of August 2008, according to CRISIL.

As of March 31, 2018, our equity-oriented AUM and non-equity-oriented AUM constituted ₹1,497.13 billion and ₹1,422.73 billion, respectively, of our total AUM. Our actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) constituted ₹1,449.25 billion of our total AUM as of March 31, 2018. Our AUM has grown at a compounded annual growth rate ("**CAGR**") of 25.5% between March 31, 2013 and March 31, 2018. Our proportion of equity-oriented AUM to total AUM was at 51.3%, which was higher than the industry average of 43.2%, as of March 31, 2018, according to CRISIL. As equity-oriented schemes generally have a higher fee structure compared to non-equity-oriented schemes, according to CRISIL, our product mix helps us achieve higher profits. As of March 31, 2018, our market share of total AUM was 13.7% and of actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) was 16.8% among all asset management companies in India, according to CRISIL. We have received several awards for our operations, such as the Equity Fund House of the year award for 2017 at the Outlook Money Awards in 2018.

We operate as a joint venture between Housing Development Finance Corporation Limited ("**HDFC**") and Standard Life Investments Limited ("**SLI**"). HDFC is one of India's leading housing finance companies. HDFC group has emerged as a recognized financial conglomerate in India, with presence in housing finance, banking, life and non-life insurance, asset management, real estate funds and education finance. Listed companies of the HDFC group include HDFC Limited, HDFC Bank Limited, HDFC Standard Life Insurance Company Limited and GRUH Finance Limited, which had market capitalizations of US$46.87 billion (₹3,209.38 billion), US$80.19 billion (₹5,490.74 billion), US$13.41 billion (₹918.01 billion) and US$3.25 billion (₹222.47 billion), respectively, as of June 30, 2018. SLI is an indirect subsidiary of Standard Life Aberdeen plc ("**Standard Life Aberdeen**"), one of the world's largest investment companies, created in 2017 from the merger of Standard Life plc and Aberdeen Asset Management PLC. SLI operates within the brand Aberdeen Standard Investments, with its investment arm managing £575.7 billion (₹49,666.50 billion) of assets as of December 31, 2017, making it one of the largest active managers in Europe. Standard Life Aberdeen is listed on the London Stock Exchange and had a total market capitalization of £9.70 billion (₹876.72 billion) as of June 30, 2018. We believe that our strong parentage and trusted brand enhances our appeal and provides confidence to our customers.

We offer a large suite of savings and investment products across asset classes, which provide income and wealth creation opportunities to our customers. As of March 31, 2018, we offered 133 schemes that were classified into 27 equity-oriented schemes, 98 debt schemes (including 72 fixed maturity plans ("**FMPs**")), three liquid schemes, and five other schemes (including exchange-traded schemes and funds of fund schemes). This diversified product mix provides us with the flexibility to operate successfully across various market cycles, cater to a wide range of customers from individuals to institutions, address market fluctuations, reduce concentration risk in a particular asset class and work with diverse sets of distribution partners which helps us expand our reach. We also provide portfolio management and segregated account services, including discretionary, non-discretionary and advisory services, to high net worth individuals ("**HNIs**"), family offices, domestic corporates, trusts, provident funds and domestic and global institutions. As of March 31, 2018, we managed AUM of ₹64.74 billion as part of our portfolio management and segregated accounts services' business. Additionally, as part of our portfolio management and segregated accounts services we provide non-binding investment advisory services to a fund which had an AUM of ₹4.69 billion as of March 31, 2018 and is managed by Standard Life Investments Global SICAV.

Our diverse product offerings and services allows us to reach out to a large segment of the Indian mutual fund market and develop a broad individual focussed customer base. We had a total number of Live Accounts of 8.10 million as of March 31, 2018, and our Monthly Average AUM ("**MAAUM**") from individual customers accounted for 62.2% of our MAAUM, compared to the industry average of 51.4%, for the same period, according to CRISIL. Our diverse schemes target varying customer requirements and risk profiles, and has helped us attract a growing individual-focused customer base. Our offering of systematic transactions further enhances our appeal to individual customers. Systematic transactions have gained significance among individual customers, according to CRISIL, and we had a monthly flow of over ₹11.5 billion through approximately 3.16 million systematic transactions as of March 31, 2018. We endeavour to stay relevant to our customers by providing them with need-based product solutions to meet their financial goals as well as continued customer support and engagement through various distribution channels.

A key element of our strategy is to promote a customer-centric culture that spans across all aspects of our business. As of March 31, 2018, we served customers in over 200 cities through our pan-India network of 209 branches (and a representative office in Dubai) and service centres of our registrar and transfer agent ("**RTA**"), which is supported by a strong and diversified network of over 65,000 empaneled distribution partners across India, consisting of independent financial advisors ("**IFAs**"), national distributors and banks. As of March 31, 2018, IFAs, national distributors and banks generated 27.6%, 21.0%, 17.3% of our total AUM, respectively, while the remaining 34.1% was invested in direct plans. In terms of our equity-oriented AUM, IFAs, national distributors and banks generated 39.2%, 24.2%, 19.1% of our equity-oriented AUM, respectively, while the remaining 17.5% was invested in direct plans, as of March 31, 2018. We believe that we are at the forefront of leveraging technology in the Indian asset management sector, with a focus on digitization to transform sales, customer on-boarding and internal processes. We believe that our focus on technology has enriched our customers' experience and has enhanced the productivity of our employees and distributors. We offer our products and services through our online portal, HDFC MFOnline and mobile applications, both of which have become increasingly relevant to our business in recent years.

We have an established track record of delivering robust financial performance. Our total revenue increased from ₹9,031.14 million in Fiscal 2014 to ₹18,672.46 million in Fiscal 2018, with a CAGR of 19.91%, and our net profit has grown from ₹3,577.70 million to ₹7,216.16 million during the same period at a CAGR of 19.17%. Our Dividend Payout Ratio increased from 41% in Fiscal 2014 to 56% in Fiscal 2018 and we paid a dividend of ₹3,368.88 million in Fiscal 2018 compared to ₹1,262.04 million in Fiscal 2014. We had a net worth of ₹21,599.68 million as of March 31, 2018. Our return on average net worth exceeded 40% every year since Fiscal 2014 and was 40.28% for Fiscal 2018.

Our Competitive Strengths

- Consistent market leadership position in the Indian mutual fund industry.
- Trusted brand and strong parentage
- Strong investment performance supported by comprehensive investment philosophy and risk management
- Superior and diversified product mix distributed through a multi-channel distribution network
- Focus on individual customers and customer centric approach
- Consistent profitable growth
- Experienced and stable management and investment teams

Our Strategies

- Maintain strong investment performance
- Expand our reach and distribution channels
- Enhance product portfolio
- Invest in digital platforms to establish leadership in the growing digital space

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from our Restated Financial Statements as of and for the Fiscal Years ended, March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018. These financial statements have been prepared in accordance with Indian GAAP, applicable provisions of the Companies Act and restated in accordance with the ICDR Regulations, and are presented in "*Financial Statements*" on page 262 of this Prospectus. The summary financial information presented below should be read in conjunction with our Restated Financial Statements, the notes thereto and in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 333 of this Prospectus.

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HDFC ASSET MANAGEMENT COMPANY LIMITED

ANNEXURE I-RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in Millions except share data and unless otherwise stated)

Particulars	Annexure	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES						
SHAREHOLDERS' FUNDS						
Share Capital	V	1,052.78	251.67	251.64	252.41	252.41
Reserves and Surplus	VI	20,546.90	13,977.74	11,260.58	10,946.49	8,760.17
NON-CURRENT LIABILITIES						
Long-Term Provisions	VII	7.78	8.04	150.00	150.00	150.00
CURRENT LIABILITIES						
Trade Payables-Outstanding dues of Small Enterprises and Micro Enterprises	VIII	-	-	-	-	-
Trade Payables-Outstanding dues of creditors other than Small Enterprises and Micro Enterprises	VIII	1,115.76	960.62	1,719.79	950.93	1,477.22
Other Current Liabilities	IX	981.86	796.87	845.16	817.67	573.56
Short-Term Provisions	X	1.12	0.96	-	-	-
		2,098.74	**1,758.45**	**2,564.95**	**1,768.60**	**2,050.78**
TOTAL		**23,706.20**	**15,995.90**	**14,227.17**	**13,117.50**	**11,213.36**
ASSETS						
NON-CURRENT ASSETS						
Fixed Assets						
-Property, Plant and Equipment	XI	245.84	226.34	227.69	243.80	262.58
-Intangible Assets	XI	82.08	85.46	83.92	94.15	15.38
-Intangible Assets Under Development		59.63	24.19	10.97	0.98	2.04
		387.55	**335.99**	**322.58**	**338.93**	**280.00**
Non-Current Investments	XII	6,395.42	1,687.97	1,598.58	1,616.80	1,303.88
Deferred Tax Assets (net)	XIII	97.32	93.53	138.90	132.80	128.11
Long-Term Loans and Advances	XIV	616.67	690.16	973.81	1,751.97	1,198.01
		7,496.96	**2,807.65**	**3,033.87**	**3,840.50**	**2,910.00**
CURRENT ASSETS						
Current Investments	XV	13,110.18	10,678.58	8,259.27	4,888.39	6,061.83
Trade Receivables	XVI	902.79	850.91	385.70	165.75	154.80
Cash and Bank Balances	XVII	20.67	12.74	9.80	25.67	10.36
Short-Term Loans and Advances	XVIII	2,054.68	1,627.51	1,721.35	2,487.48	1,063.32
Other Current Assets	XIX	120.92	18.51	817.18	1,709.71	1,013.05
		16,209.24	**13,188.25**	**11,193.30**	**9,277.00**	**8,303.36**
TOTAL		**23,706.20**	**15,995.90**	**14,227.17**	**13,117.50**	**11,213.36**

HDFC ASSET MANAGEMENT COMPANY LIMITED

ANNEXURE II-RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in Millions except share data and unless otherwise stated)

Particulars	Annexure	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
REVENUE						
Revenue from Operations	XX	17,597.51	14,800.35	14,425.45	10,224.38	8,585.47
Other Income	XXI	1,074.95	1,078.75	517.97	418.38	445.67
TOTAL REVENUE		**18,672.46**	**15,879.10**	**14,943.42**	**10,642.76**	**9,031.14**
EXPENSES						
Employee Benefits Expense	XXII	1,749.48	1,575.51	1,431.87	1,275.07	1,115.52
Depreciation and Amortization Expense	XI	114.40	119.64	110.60	101.39	84.45
Other Expenses	XXIII	6,183.43	6,185.94	6,318.45	3,040.34	2,606.66
TOTAL EXPENSES		**8,047.31**	**7,881.09**	**7,860.92**	**4,416.80**	**3,806.63**
PROFIT BEFORE TAX		10,625.15	7,998.01	7,082.50	6,225.96	5,224.51
Tax Expense:						
Current Tax		3,412.78	2,450.18	2,309.80	2,075.66	1,646.88
Deferred Tax		(3.79)	45.37	(6.10)	(4.70)	(0.07)
PROFIT AFTER TAX		**7,216.16**	**5,502.46**	**4,778.80**	**4,155.00**	**3,577.70**

Earnings Per Equity Share (Face Value ₹ 5)						
- Basic		35.02	27.33	23.64	20.58	17.71
- Diluted		34.96	27.05	23.56	20.31	17.60

HDFC ASSET MANAGEMENT COMPANY LIMITED

ANNEXURE III-RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS

(₹ in Millions except share data and unless otherwise stated)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES					
Profit before tax and extraordinary items as per Restated Standalone Summary Statement of Profit and Loss	**10,625.15**	**7,998.01**	**7,082.50**	**6,225.96**	**5,224.51**
Add / (Less) : Adjustment for					
Depreciation and Amortization	114.40	119.64	110.60	101.39	84.45
Provision for / (Reversal of) Diminution in the Value of Current Investments	-	(0.87)	0.87	-	-
Provision for / (Reversal of) Diminution in the Value of Non Current Investments	-	-	-	-	(3.80)
Utilisation / Reversal of Provision for Contingencies	-	(150.00)	-	-	-
(Profit) / Loss on Sale of Investments (net)	(727.22)	(664.55)	(235.89)	(154.94)	(274.89)
(Profit) / Loss on Sale of Fixed Assets (net)	(1.26)	(0.50)	(1.26)	(2.01)	(0.03)
Investment Income	(345.22)	(217.10)	(239.93)	(176.85)	(114.76)
Provision for Wealth Tax	-	-	-	0.62	0.60
Operating Profit before working capital changes	**9,665.85**	**7,084.63**	**6,716.89**	**5,994.17**	**4,916.08**
(Increase) / Decrease in Current and Non Current Loans and Advances	(381.01)	507.58	1,587.86	(1,935.22)	(1,124.42)
(Increase) / Decrease in Other Current and Non Current Assets	(0.02)	798.61	892.52	(697.11)	(994.25)
(Increase) / Decrease in Trade Receivables	(51.87)	(465.20)	(219.96)	(10.95)	37.44
Increase / (Decrease) in Current and Non Current Liabilities	339.98	(798.43)	796.38	(282.21)	926.36
Cash generated from operations	**9,572.93**	**7,127.19**	**9,773.69**	**3,068.68**	**3,761.21**
Income Tax Paid	(3,371.50)	(2,578.62)	(2,353.47)	(2,120.44)	(1,666.49)
Net cash from operating activities	**6,201.43**	**4,548.57**	**7,420.22**	**948.24**	**2,094.72**

CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets	(179.92)	(135.60)	(94.14)	(159.60)	(173.30)
Proceeds from Sale of Fixed Assets	1.27	1.38	1.26	2.60	1.84
Purchase of Investments	(42,025.58)	(27,324.43)	(38,628.52)	(21,331.41)	(16,387.52)
Proceeds from Sale of Investments	35,876.56	25,596.56	35,621.35	22,413.78	15,982.61
Dividend Received	31.46	66.71	94.33	74.68	49.09
Interest Received / (Paid)	(51.42)	35.04	35.04	35.64	19.27
Net cash from / (used in) investing activities	**(6,347.63)**	**(1,760.34)**	**(2,970.68)**	**1,035.69**	**(508.01)**
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Issuance of Share Capital	4,234.80	1.42	1,431.62	-	292.44
Buy Back of Equity Shares	-	-	(3,097.62)	-	(351.34)
Tax on Shares Bought Back	-	-	(376.52)	-	(42.01)
Social / philanthropic causes & investor centric initiatives	(25.98)	-	-	-	(7.67)
Interim Equity Dividend Paid	(3,368.88)	(2,315.35)	(2,013.14)	(1,640.65)	(1,262.04)
Tax Paid on Interim Equity Dividend	(685.83)	(471.35)	(409.83)	(328.03)	(214.48)
Net cash from / (used in) financing activities	**154.11**	**(2,785.28)**	**(4,465.49)**	**(1,968.68)**	**(1,585.10)**
Net Increase / (Decrease) in cash and cash equivalents	**7.91**	**2.95**	**(15.95)**	**15.25**	**1.61**
Cash and cash equivalents at the beginning of the Year	**11.63**	**8.68**	**24.63**	**9.38**	**7.77**
Cash and cash equivalents at the end of the Year	**19.54**	**11.63**	**8.68**	**24.63**	**9.38**
	7.91	**2.95**	**(15.95)**	**15.25**	**1.61**

THE OFFER

The following table summarises the details of the Offer:

Offer(1) (2) (3)	25,457,555 Equity Shares^ aggregating ₹ 28,003.31 million^
of which	
Reservation Portions	
HDFC AMC Employee Reservation Portion	320,000 Equity Shares^
HDFC Employee Reservation Portion	560,000 Equity Shares^
HDFC Shareholders Reservation Portion	2,400,000 Equity Shares^
Net Offer	22,177,555 Equity Shares^
Accordingly,	
A. QIB Portion(4)(5)	11,088,776 Equity Shares^
of which	
Anchor Investor Portion	6,653,265 Equity Shares^
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	4,435,511 Equity Shares^
of which	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion)	221,776 Equity Shares^
Balance of the QIB portion for all QIBs including Mutual Funds	4,213,735 Equity Share^s
B. Non-Institutional Portion(4)(6)	3,326,634 Equity Shares^
C. Retail Portion(4)(6)	7,762,145 Equity Shares^
Equity Shares pre and post Offer	
Equity Shares outstanding prior to the Offer, *i.e.*, as of the date of this Prospectus	211,988,800 Equity Shares
Equity Shares outstanding after the Offer, *i.e.*, as of the date of this Prospectus and duly adjusted for the Offer	211,988,800 Equity Shares
Use of proceeds of the Offer	Our Company will not receive any proceeds from the Offer since the Offer is being made through an offer for sale of Equity Shares by the Promoter Selling Shareholders. For further details, see "*Objects of the Offer*" on page 120 of this Prospectus.

^Subject to finalisation of Basis of Allotment

(1) The Offer has been authorised by our Board of Directors pursuant to its resolution passed at the meeting held on November 30, 2017.

(2) Each of the Promoter Selling Shareholders confirms that its respective portion of the Equity Shares offered pursuant to the Offer is eligible to be offered by way of offer for sale in the Offer in accordance with Regulation 26(6) of the ICDR Regulations.

(3) The offer for sale of up to 8,592,970 Equity Shares in the Offer has been authorised by HDFC pursuant to resolutions passed by a committee of its directors on November 30, 2017 and March 13, 2018, and consent letter issued by HDFC dated March 13, 2018.

The offer for sale of up to 16,864,585 Equity Shares in the Offer has been authorised by Standard Life Investments pursuant to resolutions of its directors on October 10, 2017 and March 8, 2018, and a consent letter issued by Standard Life Investments dated March 13, 2018.

(4) Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion.

Allocation to all categories, except Anchor Investors, Retail Individual Investors, Eligible HDFC AMC Employees, Eligible HDFC Employees and Eligible HDFC Shareholders was on a proportionate basis. The allocation to each Retail Individual Investor was not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, being allocated on a proportionate basis.

(5) In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion.

(6) Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category, including the HDFC AMC Employee Reservation Portion, HDFC Employee Reservation Portion and HDFC Shareholders Reservation Portion, except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. The unsubscribed portion if any, in the HDFC AMC Employee Reservation Portion, HDFC Employee Reservation Portion and HDFC Shareholders Reservation Portion would first be adjusted amongst these categories and any unsubscribed portion thereafter in aggregate shall be added back to the Net Offer.

For further details, see "*Offer Procedure*" and "*Offer Structure*" on pages 424 and 418 respectively of this Prospectus.

GENERAL INFORMATION

Our Company was incorporated at Mumbai on December 10, 1999 as 'HDFC Asset Management Company Limited', a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the RoC, and obtained its certificate for commencement of business on March 9, 2000 from the RoC.

Registered and Corporate Office of our Company

HDFC Asset Management Company Limited
HDFC House, 2nd Floor
H. T. Parekh Marg
165-166, Backbay Reclamation
Churchgate, Mumbai 400 020
Maharashtra, India
Telephone: +91 (22) 6631 6333
Facsimile: +91 (22) 6658 0203
Website: www.hdfcfund.com
Email: shareholders.relations@hdfcfund.com
CIN: U65991MH1999PLC123027
Registration number: 123027

For details relating to changes to the address of our Registered Office, please see "*History and Certain Corporate Matters - Changes to the address of the Registered Office of our Company*" on page 210 of this Prospectus.

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Mumbai, situated at 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India.

Board of Directors

The following table sets out the brief details regarding our Board as on the date of filing of this Prospectus:

Name and Designation	DIN	Address
Deepak Parekh *Designation*: Non-executive Director and Chairman (Nominee of HDFC)	00009078	4607, The Imperial Tower, North, B B Nakashe Marg, Tardeo, Mumbai 400 034, Maharashtra, India
Keki Mistry *Designation*: Non-executive Director (Nominee of HDFC)	00008886	Flat No. 2603, B Wing, 26th Floor, Vivarea, Sane Guruji Marg, Jacob Circle, Mahalaxmi East, Mumbai 400 011, Maharashtra, India
Renu Karnad *Designation*: Non-executive Director (Nominee of HDFC)	00008064	BB – 14, Greater Kailash Enclave Part II, New Delhi 110 048, Delhi, India
Norman Keith Skeoch *Designation*: Non-executive Director (Nominee of Standard Life Investments)	00165850	19 Lennox Street, Edinburgh, Scotland, EH4 1PY, United Kingdom
James Baird Aird *Designation*: Non-executive Director (Nominee of Standard Life Investments)	01057384	2 Fairholm Mews, Edinburgh, Scotland, EH10 4FE, United Kingdom
Hoshang Billimoria *Designation*: Independent Director	00005003	B-221, Grand Paradi, 572, Dadyseth Hill, August Kranti Marg Mumbai 400 036, Maharashtra, India
Humayun Dhanrajgir *Designation*: Independent Director	00004006	F 37/38, Dhanraj Mahal, CSM Road, Apollo Bunder, Mumbai 400 001, Maharashtra, India
P. M. Thampi	00114522	2B, Martha's Place, 58, Lavelle Road, 5th Cross,

Name and Designation	DIN	Address
Designation: Independent Director		Bangalore 560 001, Karnataka, India
Dr. Deepak Phatak *Designation*: Independent Director	00046205	Bldg. No. B24, Flat No. 274, 15th Floor, Central Area, Near Hostel 10, Powai, Mumbai 400 076, Maharashtra, India
Rajeshwar Bajaaj *Designation*: Independent Director	00419623	Flat No. 2, Ajanta Apartments, 11th Floor, 75, Colaba, Mumbai 400 005, Maharashtra, India
Vijay Merchant *Designation*: Independent Director	01773227	1A, Rockside, 112, Walkeshwar Road, Mumbai 400 006, Maharashtra, India
Milind Barve *Designation*: Managing Director	00087839	3303, The Imperial Tower, B B Nakashe Marg, Next to Tardeo A.C. Market, Mumbai 400 034, Maharashtra, India

For further details in relation to our Directors, please see "*Our Management*" on page 219 of this Prospectus.

Company Secretary and Compliance Officer

Sylvia Furtado
HDFC Asset Management Company Limited
HDFC House, 2nd Floor
H. T. Parekh Marg
165-166, Backbay Reclamation
Churchgate, Mumbai 400 020
Maharashtra, India
Telephone: +91 (22) 6631 6333
Facsimile: +91 (22) 6658 0203
Email: shareholders.relations@hdfcfund.com

Chief Financial Officer

Piyush Surana
HDFC Asset Management Company Limited
HDFC House, 2nd Floor
H. T. Parekh Marg
165-166, Backbay Reclamation
Churchgate, Mumbai 400 020
Maharashtra, India
Telephone: +91 (22) 6631 6333
Facsimile: +91 (22) 6658 0203
Email: cfo@hdfcfund.com

Investor Grievances

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, *etc.* For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs or the Registrar to the Offer, in the manner provided below.

All grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, quoting the full details such as the name and address of the sole or First Bidder, date and number of the Bid cum Application Form, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, name and address of the relevant Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Further, the Bidders shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

BRLMs	
Kotak Mahindra Capital Company Limited 27 BKC, 1st Floor Plot no. C-27, "G" Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051, Maharashtra, India Telephone: + 91 (22) 4336 0000 Facsimile : +91 (22) 6713 2447 Email: hdfcamc.ipo@kotak.com Website: http://investmentbank.kotak.com Investor Grievance ID: kmccredressal@kotak.com Contact person: Ganesh Rane SEBI Registration No.: INM000008704	***Axis Capital Limited*** 1st Floor, Axis House C 2 Wadia International Centre P. B. Marg, Worli Mumbai 400 025 Maharashtra, India Telephone: +91 (22) 4325 2183 Facsimile: +91 (22) 4325 3000 Email: hdfcamc.ipo@axiscap.in Website: www.axiscapital.co.in Investor Grievance ID: complaints@axiscap.in Contact person: Mangesh Ghogle SEBI Registration No.: INM000012029
Citigroup Global Markets India Private Limited 1202, 12th Floor First International Financial Centre G-Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India Telephone: +91 (22) 6175 9999 Facsimile: +91 (22) 6175 9898 Email: hdfc.amc.ipo@citi.com Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm Investor Grievance ID: investors.cgmib@citi.com Contact Person: Ashish Guneta SEBI Registration No.: INM000010718	***CLSA India Private Limited*** 8 / F Dalamal House Nariman Point Mumbai 400 021 Maharashtra, India Tel: +91 (22) 6650 5050 Fax: +91 (22) 2285 6524 E-mail: hdfcamc.ipo@clsa.com Website: www.india.clsa.com Investor Grievance ID: investor.helpdesk@clsa.com Contact Person: Sarfaraz Agboatwala SEBI Registration No.: INM000010619
DSP Merrill Lynch Limited Ground Floor, A Wing, One BKC G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Telephone: +91 (22) 6632 8000 Facsimile: +91 (22) 6776 2343 Email: dg.hdfcamc_ipo@baml.com Website: http://www.ml-india.com Investor Grievance ID: dg.india_merchantbanking@baml.com Contact Person: Soham H. Bhattbhatt SEBI Registration No.: INM000011625	***HDFC Bank Limited*** Investment Banking Group Unit no. 401 & 402 4th Floor, Tower B Peninsula Business Park Lower Parel, Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 3395 8021 Facsimile: +91 (22) 3078 8584 Email: hdfcamc.ipo@hdfcbank.com Website: www.hdfcbank.com Investor Grievance ID: investor.redressal@hdfcbank.com Contact Person: Rakesh Bhunatar / Sakshi Jain SEBI Registration No.: INM000011252
ICICI Securities Limited ICICI Center H.T. Parekh Marg, Churchgate Mumbai 400 020 Maharashtra, India Telephone: +91 (22) 2288 2460/70 Facsimile: +91 (22) 2282 6580	***IIFL Holdings Limited*** 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 4646 4600

BRLMs	
Email: hdfcmf.ipo@icicisecurities.com Website: www.icicisecurities.com Investor Grievance ID: customercare@icicisecurities.com Contact Person: Rishi Tiwari/ Shekher Asnani SEBI Registration No.: MB/INM000011179	Facsimile: +91 (22) 2493 1073 Email: hdfcamc.ipo@iiflcap.com Website: www.iiflcap.com Investor Grievance ID: ig.ib@iiflcap.com Contact Person: Devendra Maydeo/ Pranay Doshi SEBI Registration No.: INM000010940
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Telephone: +91 (22) 6630 3030 Facsimile: +91 (22) 6630 3330 Email: HDFCAMC.IPO@jmfl.com Website: www.jmfl.com Investor Grievance ID: grievance.ibd@jmfl.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361	***J.P. Morgan India Private Limited*** J.P. Morgan Tower Off CST Road, Kalina Santacruz (East), Mumbai 400 098 Maharashtra, India Telephone: +91 (22) 6157 3000 Facsimile: +91 (22) 6157 3911 Email: hdfcamc_ipo@jpmorgan.com Website: www.jpmipl.com Investor Grievance ID: investorsmb.jpmipl@jpmorgan.com Contact Person: Saarthak K Soni SEBI Registration No.: INM000002970
Morgan Stanley India Company Private Limited 18F, Tower 2, One Indiabulls Centre 841, Senapati Bapat Marg Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 6118 1000 Facsimile: +91 (22) 6118 1040 Email: hdfcamcipo@morganstanley.com Website: https://www.morganstanley.com/pub/content/msdotcom/en/about-us/global-offices/asia-pacific/india Investor Grievance ID: investors_india@morganstanley.com Contact Person: Satyam Singhal SEBI Registration No.: INM000011203	***Nomura Financial Advisory and Securities (India) Private Limited*** Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli Mumbai 400 018 Maharashtra, India Telephone: +91 (22) 4037 4037 Facsimile: +91 (22) 4037 4111 Email: hdfcamcipo@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.html Investor Grievance ID: investorgrievances-in@nomura.com Contact Person: Sandeep Baid / Srishti Tyagi SEBI Registration No.: INM000011419

Syndicate Members			
HDFC Securities Limited Office Floor 8 I Think Techno Campus Building B - Alpha Kanjurmarg (East) Mumbai 400 042 Maharashtra, India Telephone: +91 (22) 3075 3400 Facsimile: +91 (22) 3075 3435 Email: Customercare@hdfcsec.com Contact Person: Sharmila Kambli	***IIFL Securities Limited*** 6th & 7th Floor Ackruti Centre Point Central Road, MIDC Andheri (East) Mumbai 400 093 Maharashtra, India Telephone: +91 (22) 6272 7000 Facsimile: +91 (22) 2580 6654 Email: prasad.umarale@iifl.com Contact Person: Prasad Umarale	***Kotak Securities Limited*** 12-BKC, Plot no. C-12 G Block, Bandra Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra, India Telephone: +91 (22) 6218 5470 Facsimile: +91 (22) 6661 7041 Email: umesh.gupta@kotak.com Contact Person: Umesh Gupta	***JM Financial Services Limited*** 2, 3&4, Kamanwala Chambers, Ground Floor Sir P M Road Fort, Mumbai 400 001 Maharashtra, India Telephone: +91 (22) 6136 3400 Facsimile: - Email: surajit.misra@jmfl.com Contact Person: Surajit Misra

Legal counsel to our Company as to Indian law
AZB & Partners AZB House Peninsula Corporate Park Ganpatrao Kadam Marg Lower Parel, Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 6639 6880 Facsimile: +91 (22) 6639 6888

Legal counsel to the BRLMs as to Indian law
Khaitan & Co One Indiabulls Centre 13th Floor, Tower 1 841, Senapati Bapat Marg Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 6636 5000 Facsimile: +91 (22) 6636 5050

Legal counsel to the BRLMs as to International law
Latham & Watkins LLP 9 Raffles Place #42-02 Republic Plaza Singapore 048 619 Telephone: + (65) 6536 1161 Facsimile: + (65) 6536 1171

Legal counsel to HDFC as to Indian law
Wadia Ghandy & Co. N M Wadia Building 123, Mahatma Gandhi Road Fort, Mumbai 400 001 Maharashtra, India Telephone: +91 (22) 4073 5600/ 601/ 700 Facsimile: +91 (22) 4073 5799

Legal counsel to Standard Life Investments as to Indian law
Cyril Amarchand Mangaldas 5th Floor, Peninsula Chambers Peninsula Corporate Park Ganpatrao Kadam Marg Lower Parel, Mumbai 400 013 Telephone: +91 (22) 2496 4455 Facsimile: +91 (22) 2496 3666

Registrar to the Offer
Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32 Gachibowli, Financial District Nanakramguda, Hyderabad 500 032 Telangana, India Telephone: +91 (40) 6716 2222 Facsimile: +91 (40) 2343 1551 Email: einward.ris@karvy.com Investor Grievance ID: hdfcamc.ipo@karvy.com Website: www.karisma.karvy.com Contact Person: M Murali Krishna SEBI Registration No.: INR000000221

Escrow Collection Bank/ Refund Bank/ Public Offer Account Bank
HDFC Bank Limited FIG-OPS Department - Lodha I Think Techno Campus O-3 Level Next to Kanjurmarg Railway Station

Kanjurmarg (East) Mumbai 400 042 Maharashtra, India Telephone: +91 (22) 3075 2927/28/2914 Facsimile: +91 (22) 2579 9801 Email: Vincent.Dsouza@hdfcbank.com Siddharth.Jadhav@hdfcbank.com Prasanna.Uchil@hdfcbank.com Neerav.Desai@hdfcbank.com Website: www.hdfcbank.com Contact person: Vincent Dsouza Siddharth Jadhav Prasanna Uchil Neerav Desai SEBI Registration No.: INBI00000063 CIN: L65920MH1994PLC080618

Statutory Auditors of our Company
B S R & Co. LLP Lodha Excelus, 5th Floor, Apollo Mills Compound N.M. Joshi Marg, Mahalaxmi Mumbai 400 011 Maharashtra, India Telephone: +91 (22) 3989 6000 Facsimile: +91 (22) 3090 2511 E-mail: amaster@bsraffiliates.com ICAI Firm Registration No.: 101248W/W-100022

Bankers to our Company
HDFC Bank Limited HDFC Bank House Senapati Bapat Marg Lower Parel Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 3395 8190 Facsimile: +91 (22) 3078 8579 Email: Poonam.raikar@hdfcbank.com Website: www.hdfcbank.com Contact person: Poonam Raikar

Designated Intermediaries

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs under the BTI Regulations for the ASBA process in accordance with the ICDR Regulations is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time. For details of the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and as updated from time to time, please refer to the above mentioned link.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of ASBA Forms from the members of the Syndicate is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time.

For more information on such branches collecting ASBA Forms from the Syndicate at Specified Locations, please refer to the above-mentioned link.

Registered Brokers/ Registrar and Share Transfer Agents/ CDPs

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres.

The list of the Registered Brokers, Registrar and Share Transfer Agents and CDPs, eligible to accept ASBA Forms at the Broker Centres, Designated RTA Locations and Designated CDP Locations respectively, including details such as postal address, telephone number and email address, are provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and https://www.nse-india.com/products/content/equities/ipos/ipos.htm for Registered Brokers and http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://www.nse-india.com/products/content/equities/ipos/asba_procedures.htm for Registrar and Share Transfer Agents and CDPs, as updated from time to time.

In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

For further details, please see "*Offer Procedure*" on page 424 of this Prospectus.

Inter-se allocation of responsibilities:

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs for the Offer:

Activity	Responsibility	Co-ordination
Capital structuring with the relative components and formalities such as type of instruments, composition of debt and equity, size of the Offer, *etc.*	BRLMs**	KMCC
Due diligence of the Company's operations/ management/ business plans/ legal, *etc.* Drafting and design of offer documents. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, Registrar of Companies and SEBI including finalisation of the Prospectus and filing with the RoC.	BRLMs**	KMCC
Drafting and approval of statutory advertisements	BRLMs**	KMCC
Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, *etc.*	BRLMs	HDFC Bank*
Appointment of Registrar, bankers to the Offer, printers, advertising agency, any other intermediary.	BRLMs**	JM
International institutional marketing of the Offer, which will cover, inter alia, • Finalising the list and division of investors for one to one meetings; and • Finalising road show schedule and investor meeting schedules	BRLMs**	MS
Domestic institutional marketing of the Offer, which will cover, inter alia, • Finalising the list and division of investors for one to one meetings; and • Finalising road show schedule and investor meeting schedules	BRLMs**	KMCC
Non-Institutional marketing strategy which will cover, inter alia: • Finalising media, marketing and public relations strategy; • Formulating strategies for marketing to Non-Institutional Investors	BRLMs**	IIFL
Retail marketing of the Offer, which will cover, inter alia: • Formulating marketing strategies, preparation of publicity budget; • Finalising media, marketing and public relations strategy including list of frequently asked questions at road shows; • Finalising centres for holding conferences for brokers, *etc.*; • Finalising collection centres and arranging for selection of underwriters and underwriting agreement; and • Follow-up on distribution of publicity and offer material including form,	BRLMs**	HDFC Bank*

Activity	Responsibility	Co-ordination
Prospectus and deciding on the quantum of the offer material		
Preparation and finalisation of road show marketing presentation and FAQs	BRLMs**	DSP
Finalising of Offer Price in consultation with the Company and the Promoter Selling Shareholders	BRLMs**	CLSA
Coordination with stock exchanges for book building software, bidding terminals and mock trading	BRLMs**	I-Sec
Pricing and managing the book	BRLMs**	CLSA
Post bidding activities including management of Escrow Accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, *etc.* The post Offer activities of the Offer will involve essential follow up steps, which include finalisation of trading and dealing instruments and dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrar to the Offer, bankers to the Offer and the bank handling refund business. The BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge the responsibility through suitable agreements with the Company. The post Offer BRLMs shall also coordinate the Anchor Offer and finalisation of underwriting agreement. Coordinating with Stock Exchanges and SEBI for release of 1% security deposit post closure of the Offer.	BRLMs**	Axis
Payment of the applicable Securities Transaction Tax on sale of unlisted equity shares by the Promoter Selling Shareholders included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.	BRLMs**	JM

**In compliance with the proviso to Regulation 21A(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with proviso to Regulation 5(3) of the ICDR Regulations, HDFC Bank is involved as merchant banker only in marketing of the Offer.*

***Excluding HDFC Bank which is involved, as a merchant banker, only in the marketing of the Offer.*

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from its Statutory Auditor, namely, B S R & Co. LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus and to be named as an “Expert” as defined under Section 2(38) read with Section 26(5) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors of our Company and in respect of (a) their examination reports on the Restated Financial Information dated June 15, 2018 and (b) the Statement of Tax Benefits dated July 13, 2018, included in this Prospectus and such consent has not been withdrawn as on the date of this Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act. A written consent under the provisions of the Companies Act, 2013 is different from a consent filed with the U.S. Securities and Exchange Commission under Section 7 of the U.S. Securities Act which is applicable only to transactions involving securities registered under the U.S. Securities Act. As the Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the U.S. Securities Act, the Statutory Auditors have not given consent under Section 7 of the U.S. Securities Act. In this regard, the Statutory Auditors have given consent to be referred to as "experts" in this Prospectus in accordance with the requirements of the Companies Act, 2013.

Monitoring Agency

The Offer, being an offer for sale, there is no requirement to appoint a monitoring agency for the Offer.

Appraising Entity

The Offer being an offer for sale, the objects of the Offer are not required to, and have not, been appraised.

Credit Rating

As this is an offer for sale of equity shares, credit rating is not required.

Trustees

As this is an offer for sale of equity shares, the appointment of trustees is not required.

Grading of the Offer

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms within the Price Band. The Price Band and the minimum Bid Lot was decided by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, and advertised in all editions of Financial Express, all editions of Jansatta and Mumbai edition of Navshakti (which are widely circulated English, Hindi and Marathi daily newspapers, respectively, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) at least five Working Days prior to the Offer Opening Date and was made available on the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price has been determined by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, after the Offer Closing Date.

All Bidders, except for Anchor Investors, are mandatorily required to use the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the ICDR Regulations, QIBs Bidding in the QIB Portion (other than Anchor Investor Portion) and Non-Institutional Investors bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage and Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Retail Individual Investors can revise their Bids during the Offer Period and withdraw their Bids until the Offer Closing Date. Further, allocation to QIBs in the QIB Portion (other than in the Anchor Investor Portion) and allocation to Non-institutional Investors in the Non-institutional Portion will be on proportionate basis and allocation to the Anchor Investors will be on a discretionary basis.

For an illustration of the Book Building Process, please see "*Offer Procedure Part B - Illustration of the Book Building and Price Discovery Process"* on page 462 of this Prospectus.

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after this Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details, please see "*Offer Structure*" and "*Offer Procedure*" on pages 418 and 424 of this Prospectus, respectively.

Underwriting Agreement

After the determination of the Offer Price and allocation of the Equity Shares, but prior to filing of this Prospectus with the RoC, our Company and the Promoter Selling Shareholders have entered into the Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the

Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated July 28, 2018. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name, address, telephone number, fax number and email id of the Underwriters	Indicative number of Equity Shares to be Underwritten	Amount underwritten (in ₹ million)
Kotak Mahindra Capital Company Limited 27 BKC, 1st Floor Plot no. C-27, "G" Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051, Maharashtra, India Telephone: + 91 (22) 4336 0000 Facsimile : +91 (22) 6713 2447 Email: hdfcamc.ipo@kotak.com	2,121,363	2,333.50
Axis Capital Limited 1st Floor, Axis House C 2 Wadia International Centre P. B. Marg, Worli Mumbai 400 025 Maharashtra, India Telephone: +91 (22) 4325 2183 Facsimile: +91 (22) 4325 3000 Email: hdfcamc.ipo@axiscap.in	2,121,463	2,333.61
Citigroup Global Markets India Private Limited 1202, 12th Floor First International Financial Centre G-Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India Telephone: +91 (22) 6175 9999 Facsimile: +91 (22) 6175 9898 Email: hdfc.amc.ipo@citi.com	2,121,463	2,333.61
CLSA India Private Limited 8 / F Dalamal House Nariman Point Mumbai 400 021 Maharashtra, India Tel: +91 (22) 6650 5050 Fax: +91 (22) 2285 6524 E-mail: hdfcamc.ipo@clsa.com	2,121,463	2,333.61
DSP Merrill Lynch Limited Ground Floor, A Wing, One BKC G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Telephone: +91 (22) 6632 8000 Facsimile: +91 (22) 6776 2343 Email: dg.hdfcamc_ipo@baml.com	2,121,463	2,333.61
HDFC Bank Limited Investment Banking Group Unit no. 401 & 402 4th Floor, Tower B Peninsula Business Park Lower Parel, Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 3395 8021 Facsimile: +91 (22) 3078 8584 Email: hdfcamc.ipo@hdfcbank.com	2,121,363	2,333.50
ICICI Securities Limited ICICI Center H.T. Parekh Marg, Churchgate Mumbai 400 020	2,121,463	2,333.61

Maharashtra, India Telephone: +91 (22) 2288 2460/70 Facsimile: +91 (22) 2282 6580 Email: hdfcmf.ipo@icicisecurities.com		
IIFL Holdings Limited 10th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 4646 4600 Facsimile: +91 (22) 2493 1073 Email: hdfcamc.ipo@iiflcap.com	2,121,363	2,333.50
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Telephone: +91 (22) 6630 3030 Facsimile: +91 (22) 6630 3330 Email: HDFCAMC.IPO@jmfl.com	2,121,363	2,333.50
J.P. Morgan India Private Limited J.P. Morgan Tower Off CST Road, Kalina Santacruz (East), Mumbai 400 098 Maharashtra, India Telephone: +91 (22) 6157 3000 Facsimile: +91 (22) 6157 3911 Email: hdfcamc_ipo@jpmorgan.com	2,121,463	2,333.61
Morgan Stanley India Company Private Limited 18F, Tower 2, One Indiabulls Centre 841, Senapati Bapat Marg Mumbai 400 013 Maharashtra, India Telephone: +91 (22) 6118 1000 Facsimile: +91 (22) 6118 1040 Email: hdfcamcipo@morganstanley.com	2,121,463	2,333.61
Nomura Financial Advisory and Securities (India) Private Limited Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli Mumbai 400 018 Maharashtra, India Telephone: +91 (22) 4037 4037 Facsimile: +91 (22) 4037 4111 Email: hdfcamcipo@nomura.com	2,121,462	2,333.60
HDFC Securities Limited Office Floor 8 I Think Techno Campus Building B - Alpha Kanjurmarg (East) Mumbai 400 042 Maharashtra, India Telephone: +91 (22) 3075 3400 Facsimile: +91 (22) 3075 3435 Email: Customercare@hdfcsec.com	100	0.11
IIFL Securities Limited 6th & 7th Floor Ackruti Centre Point Central Road, MIDC Andheri (East) Mumbai 400 093	100	0.11

Maharashtra, India Telephone: +91 (22) 6272 7000 Facsimile: +91 (22) 2580 6654 Email: prasad.umarale@iifl.com		
Kotak Securities Limited 12-BKC, Plot no. C-12 G Block, Bandra Kurla Complex Bandra (E), Mumbai 400 051 Maharashtra, India Telephone: +91 (22) 6218 5470 Facsimile: +91 (22) 6661 7041 Email: umesh.gupta@kotak.com	100	0.11
JM Financial Services Limited 2, 3&4, Kamanwala Chambers, Ground Floor Sir P M Road Fort, Mumbai 400 001 Maharashtra, India Telephone: +91 (22) 6136 3400 Facsimile: - Email: surajit.misra@jmfl.com	100	0.11
Total	**25,457,555**	**28,003.31**

The above-mentioned amount is indicative and is subject to the provisions of the ICDR Regulations.

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under the SEBI Act or registered as brokers with the Stock Exchanges. Our IPO Committee at its meeting held on July 28, 2018 has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to Bidders respectively procured by them, in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchases for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

Updates from the Red Herring Prospectus to this Prospectus

In addition to Offer related updates, this Prospectus includes certain updates which have occurred after filing of the Red Herring Prospectus with the RoC. Such updates have occurred in the normal course of business and day to day operations of our Company. For further details, see "*Capital Structure*", "*Outstanding Litigation and Material Developments*" and "*Government and Other Approvals*" beginning on pages 79, 355 and 373, respectively.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Prospectus, before and duly adjusted for the Offer, is set forth below:

(In ₹)

		Aggregate nominal value	Aggregate value at Offer Price
A)	**AUTHORISED SHARE CAPITAL**		
	600,000,000 Equity Shares of ₹5 each	3,000,000,000	
	50,000,000 preference shares of ₹10 each	500,000,000	
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE OFFER, *i.e.* AS OF THE DATE OF THIS PROSPECTUS**		
	211,988,800 Equity Shares	1,059,944,000	
C)	**PROPOSED OFFER IN TERMS OF THIS PROSPECTUS**(1)		
	Offer for Sale of 25,457,555 Equity Shares^ aggregating to₹ 28,003.31 million(2)	127,287,775	28,003,310,500
	Which includes		
	HDFC AMC Employee Reservation Portion of 320,000 Equity Shares^	1,600,000	352,000,000
	HDFC Employee Reservation Portion of 560,000 Equity Shares^	2,800,000	616,000,000
	HDFC Shareholders Reservation Portion of 2,400,000 Equity Shares^	12,000,000	2,640,000,000
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER, *i.e.* AS OF THE DATE OF THIS PROSPECTUS AND DULY ADJUSTED FOR THE OFFER**		
	211,988,800 Equity Shares	1,059,944,000	
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	4,933,199,400	-
	After the Offer	4,933,199,400	-

^Subject to finalisation of Basis of Allotment

(1) *The Offer has been authorised by our Board of Directors pursuant to its resolution passed at the meeting dated November 30, 2017.*

(2) *The offer for sale of up to 8,592,970 Equity Shares in the Offer has been authorised by HDFC pursuant to resolutions passed by a committee of its directors on November 30, 2017 and March 13, 2018, and consent letter issued by HDFC dated March 13, 2018.The offer for sale of up to 16,864,585 Equity Shares in the Offer has been authorised by Standard Life Investments pursuant to resolutions of its directors on October 10, 2017 and March 8, 2018, and a consent letter issued by Standard Life Investments dated March 13, 2018.*

The Promoter Selling Shareholders have, severally and not jointly, specifically confirmed that the Equity Shares proposed to be offered and sold by each of them in the Offer are eligible for being offered for sale in the Offer in terms of Regulation 26(6) of the ICDR Regulations.

Details of changes to our Company's authorised share capital since incorporation:

S No.	Date of Shareholders' resolution	Change in authorised share capital
1.	May 26, 2003	Increase in authorised share capital from ₹200,000,000, comprising 20,000,000 Equity Shares of ₹10 each, to ₹800,000,000, comprising 30,000,000 Equity Shares of ₹10 each and 50,000,000 preference shares of ₹10 each
2.	February 6, 2018*	Increase in authorised share capital and sub-division of Equity Shares as a result of which the authorised share capital changed from ₹800,000,000, comprising 30,000,000 Equity Shares of ₹10 each and 50,000,000 preference shares of ₹10 each, to ₹3,500,000,000, comprising 600,000,000 Equity Shares of ₹5* each and 50,000,000 preference shares of ₹10 each

* *With effect from February 13, 2018, each Equity Share with a face value of ₹10 each was sub-divided into two Equity Shares with a face value of ₹5 each.*

Notes to Capital Structure

1. **Share capital history**

History of Equity Share capital of our Company

The following table sets forth the history of the Equity Share capital of our Company:

Date of allotment/ buy back	Number of Equity Shares	Face value (₹)	Issue/ buy-back price per Equity Share (₹)	Nature of consideration	Reasons for allotment	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
March 23, 2000	70	10	10	Cash	Allotment pursuant to subscription to memorandum (1)	70	700
March 23, 2000	19,999,930	10	10	Cash	Preferential allotment (2)	20,000,000	200,000,000
June 18, 2003	5,161,000	10	170	Cash	Preferential allotment (3)	25,161,000	251,610,000
November 8, 2010	87,500	10	274	Cash	Allotment under ESOS 2008 – Series I (4)	25,248,500	252,485,000
November 8, 2010	220,850	10	527	Cash	Allotment under ESOS 2008 - Series II (5)	25,469,350	254,693,500
December 7, 2010	(297,400)	10	1,999	Cash	Buy back (6)	25,171,950	251,719,500
January 18, 2011	80,000	10	274	Cash	Allotment under ESOS 2008 – Series I(7)	25,251,950	252,519,500
January 18, 2011	112,500	10	527	Cash	Allotment under ESOS 2008 – Series II and ESOS 2009 – Series I(8)	25,364,450	253,644,500
February 15, 2011	(195,450)	10	2,135	Cash	Buy back(9)	25,169,000	251,690,000
November 11, 2011	114,500	10	274	Cash	Allotment under ESOS 2008 – Series I(10)	25,283,500	252,835,000
November 11, 2011	383,350	10	527	Cash	Allotment under ESOS 2008 – Series II(11)	25,666,850	256,668,500
November 11, 2011	7,500	10	527	Cash	Allotment under ESOS 2009 – Series I(12)	25,674,350	256,743,500
December 7, 2011	(504,200)	10	2,167	Cash	Buy back(13)	25,170,150	251,701,500
February 13, 2013	210,000	10	274	Cash	Allotment under ESOS 2008 – Series I(14)	25,380,150	253,801,500

Date of allotment/ buy back	Number of Equity Shares	Face value (₹)	Issue/ buy-back price per Equity Share (₹)	Nature of consideration	Reasons for allotment	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
February 13, 2013	253,800	10	527	Cash	Allotment under ESOS 2008 - Series II[15]	25,633,950	256,339,500
February 13, 2013	91,500	10	527	Cash	Allotment under ESOS 2009 – Series I[16]	25,725,450	257,254,500
March 6, 2013	(484,650)	10	2,327	Cash	Buy back[17]	25,240,800	252,408,000
January 24, 2014	5,500	10	527	Cash	Allotment under ESOS 2008 – Series II[18]	25,246,300	252,463,000
January 24, 2014	136,000	10	2,129	Cash	Allotment under ESOS 2012 – Series I[19]	25,382,300	253,823,000
February 14, 2014	(141,500)	10	2,483	Cash	Buy back[20]	25,240,800	252,408,000
September 29, 2015	10,000	10	527	Cash	Allotment under ESOS 2008 – Series II[21]	25,250,800	252,508,000
September 29, 2015	2,500	10	527	Cash	Allotment under ESOS 2009 – Series I[22]	25,253,300	252,533,000
November 2, 2015	36,300	10	527	Cash	Allotment under ESOS 2008 – Series II[23]	25,289,600	252,896,000
November 2, 2015	2,500	10	527	Cash	Allotment under ESOS 2009 – Series I[24]	25,292,100	252,921,000
November 2, 2015	559,500	10	2,129	Cash	Allotment under ESOS 2012 – Series I[25]	25,851,600	258,516,000
November 2, 2015	85,000	10	2,129	Cash	Allotment under ESOS 2012 – Series II[26]	25,936,600	259,366,000
November 2, 2015	13,000	10	2,496	Cash	Allotment under ESOS 2013 – Series I[27]	25,949,600	259,496,000
November 23, 2015	(785,400)	10	3,944	Cash	Buy back[28]	25,164,200	251,642,000
September 27, 2016	2,700	10	527	Cash	Allotment under ESOS 2008 – Series II[29]	25,166,900	251,669,000
September 27, 2017	164,500	10	2,129	Cash	Allotment under ESOS 2012 – Series I[30]	25,331,400	253,314,000

Date of allotment/ buy back	Number of Equity Shares	Face value (₹)	Issue/ buy-back price per Equity Share (₹)	Nature of consideration	Reasons for allotment	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
September 27, 2017	9,000	10	2,496	Cash	Allotment under ESOS 2013 – Series I(31)	25,340,400	253,404,000
September 27, 2017	972,000	10	3,944	Cash	Allotment under ESOS 2015 – Series I(32)	26,312,400	263,124,000
September 27, 2017	7,000	10	4,078	Cash	Allotment under ESOS 2015 – Series II(33)	26,319,400	263,194,000
February 7, 2018	78,958,200	10	N.A.	N.A.	Bonus issue (34)	105,277,600	1,052,776,000
February 13, 2018	N.A.	5	N.A.	N.A.	Sub-division of Equity Shares(35)	210,555,200	1,052,776,000
April 30, 2018	1,433,600	5	1,050	Cash	Preferential allotment(36)	211,988,800	1,059,944,000

(1) Allotment of 70 Equity Shares to Deepak Satwalekar (10 Equity Shares), Keki Mistry (10 Equity Shares), Satish Mehta (10 Equity Shares), Suryakant Shroff (10 Equity Shares), Milind Barve (10 Equity Shares), Joseph D'Souza (10 Equity Shares) and Susir Kumar (10 Equity Shares)
(2) Preferential allotment of 19,999,930 Equity Shares to HDFC
(3) Preferential Allotment of 5,161,000 Equity Shares to HDFC (2,585,661 Equity Shares) and Standard Life Investments (2,575,339 Equity Shares)
(4) Allotment of 87,500 Equity Shares to six employees pursuant to ESOS 2008 - Series I
(5) Allotment of 220,850 Equity Shares to 99 employees pursuant to ESOS 2008 - Series II
(6) Buy back of 297,400 Equity Shares from 99 employees
(7) Allotment of 80,000 Equity Shares to seven employees pursuant to ESOS 2008 - Series I
(8) Allotment of 112,500 Equity Shares to 26 employees pursuant to ESOS 2008 - Series II and ESOS 2009 - Series I
(9) Buy back of 195,450 Equity shares from 36 employees
(10) Allotment of 114,500 Equity Shares to six employees pursuant to ESOS 2008 - Series I
(11) Allotment of 383,350 Equity Shares to 110 employees pursuant to ESOS 2008 - Series II
(12) Allotment of 7,500 Equity Shares to two employees pursuant to ESOS 2009- Series I
(13) Buy back of 504,200 Equity Shares from 117 employees
(14) Allotment of 210,000 Equity Shares to eight employees pursuant to ESOS 2008 – Series I
(15) Allotment of 253,800 Equity Shares to 34 employees pursuant to ESOS 2008 – Series II
(16) Allotment of 91,500 Equity Shares to six employees pursuant to ESOS 2009 – Series I
(17) Buy back of 484,650 Equity Shares from 43 employees
(18) Allotment of 5,500 Equity Shares to three employees pursuant to ESOS 2008 – Series II
(19) Allotment of 136,000 Equity Shares to six employees pursuant to ESOS 2012 – Series I
(20) Buy back of 141,500 Equity Shares from nine employees
(21) Allotment of 10,000 Equity Shares to three employees pursuant to ESOS 2008 – Series II
(22) Allotment of 2,500 Equity Shares to one employee pursuant to ESOS 2009 – Series I
(23) Allotment of 36,300 Equity Shares to seven employees pursuant to ESOS 2008 – Series II
(24) Allotment of 2,500 Equity Shares to one employee pursuant to ESOS 2009 – Series I
(25) Allotment of 559,500 Equity Shares to 28 employees pursuant to ESOS 2012– Series I
(26) Allotment of 85,000 Equity Shares to four employees pursuant to ESOS 2012 – Series II
(27) Allotment of 13,000 Equity Shares to one employee pursuant to ESOS 2013 – Series I
(28) Buy back of 785,400 Equity Shares from 41 employees
(29) Allotment of 2,700 Equity Shares to two employees pursuant to ESOS 2008 – Series II
(30) Allotment of 164,500 Equity Shares to 17 employees pursuant to ESOS 2012 – Series I
(31) Allotment of 9,000 Equity Shares to two employees pursuant to ESOS 2013 – Series I
(32) Allotment of 972,000 Equity Shares to 66 employees pursuant to ESOS 2015 – Series I
(33) Allotment of 7,000 Equity Shares to one employee pursuant to ESOS 2015 – Series II
(34) Allotment of 78,958,200 Equity Shares to the Shareholders as bonus shares in the ratio of 3:1

(35) Our Company has pursuant to our Shareholders' resolution dated February 6, 2018 (with effect from February 13, 2018) sub-divided our paid up Equity Share capital from 105,277,600 Equity Shares of ₹10 each into 210,555,200 Equity Shares of ₹5 each.

(36) Allotment of 1,433,600 Equity Shares pursuant to a preferential allotment to Nithin Kamath (4,300 Equity Shares), International Money Matters Private Limited (4,300 Equity Shares), Axiom Financial Services Private Limited (4,300 Equity Shares), Shree Sidvin Financial Services & Investment Private Limited (4,300 Equity Shares), Y Sridhar (4,300 Equity Shares), Mukesh Kumar (4,300 Equity Shares), Ramakrishna Kolluri (4,300 Equity Shares), Manjula.S (4,300 Equity Shares), Wealth Managers United (India) Private Limited (7,200 Equity Shares), Way2wealth Securities Private Limited (9,600 Equity Shares), Adoni Venkatesh (4,300 Equity Shares), Sangamanath Patil (14,300 Equity Shares), Hari Ghanashyam Kamat (7,200 Equity Shares), Jennifer Maria Mendes (4,300 Equity Shares), Wealth Advisors (India) Private Limited (14,300 Equity Shares), Three Cube Wealth Advisory LLP (23,900 Equity Shares), Value Invest Wealth Management India Private Limited (4,300 Equity Shares), Zen Securities Limited (4,300 Equity Shares), RLP Securities Private Limited (7,200 Equity Shares), Integrated Enterprises (India) Private Limited (9,600 Equity Shares), Ultimate Wealth Managers Private Limited (4,300 Equity Shares), Subramanian Kishore (4,300 Equity Shares), C R Chandrasekar (4,300 Equity Shares), M Suresh Kumar (4,300 Equity Shares), Shivakumar Pullot (4,000 Equity Shares), Surendra Kumar Bagaria (4,300 Equity Shares), AUM Capital Market Private Limited (4,300 Equity Shares), Manju Kumari (4,300 Equity Shares), Eastern Financiers Limited (14,300 Equity Shares), J R Laddha Financial Services Private Limited (19,100 Equity Shares), SMR Consultancy Private Limited (4,300 Equity Shares), SKP Securities Limited (14,300 Equity Shares), Narnolia Securities Limited (4,300 Equity Shares), Dipak Kumar Das (4,300 Equity Shares), Hm Mercantiles Private Limited (23,900 Equity Shares), Rajeev Murarka (4,300 Equity Shares), Dalmia Advisory Services Private Limited (4,300 Equity Shares), Bodevision Finsec Consultants Private Limited (4,300 Equity Shares), Laxmi Narayan Gupta (4,300 Equity Shares), Shifali Satsangee (4,300 Equity Shares), Edge Wealth Management Services LLP (14,300 Equity Shares), Mukesh Rajendra Parikh (7,200 Equity Shares), Manan Dinesh Porecha (7,200 Equity Shares), Dhruv Lalit Mehta (7,200 Equity Shares), Relacs Investment & Financial Services Private Limited (4,300 Equity Shares), Yogesh Sharma (4,300 Equity Shares), Abacus Corporation Private Limited (14,300 Equity Shares), Kaushik Nagindas Shah (4,300 Equity Shares), Parul Kothari (7,200 Equity Shares), Vatsal Pravin Shah (7,200 Equity Shares), Rajbir Jagtar Singh (7,200 Equity Shares), Powerpusher Financial Services LLP (7,200 Equity Shares), Jayakumari Ishwarlal Shah (14,300 Equity Shares), Sangeeta Sunil Jhaveri (4,300 Equity Shares), Pratap Devshanker Trivedi (14,300 Equity Shares), Wealth First Advisors Private Limited (7,200 Equity Shares), Dalal & Broacha Stock Broking Private Limited (7,200 Equity Shares), B.D.Shroff Securities Private Limited (4,300 Equity Shares), Ashok P.Parekh (4,300 Equity Shares), Aureus Investment Solutions LLP (4,300 Equity Shares), Prabhudas Lilladher Private. Limited (4,300 Equity Shares), Rajendra Pachare (4,300 Equity Shares), Arun Vishwanath Lagu (4,300 Equity Shares), Paresh Arvindkumar Shah (4,300 Equity Shares), Zeenat Shafique Jagani (4,800 Equity Shares), Harish S Kotian (4,300 Equity Shares), Zarana Karan Arora (4,300 Equity Shares), Mangsidesh Investments Private Limited (7,200 Equity Shares), Sadashiv A. Phene (9,600 Equity Shares), Bharat Tokershi Gosar (4,300 Equity Shares), Wiseinvest Advisors Private Limited (14,300 Equity Shares), Tarla Pankaj Mavani (4,300 Equity Shares), Ranjankumar Simanchal Panigrahi (9,600 Equity Shares), Priyanka Wealth Management Private Limited (7,200 Equity Shares), Avanish Kantilal Shah (4,300 Equity Shares), Roopa Venkatkrishnan (14,300 Equity Shares), Ganesh Shridhar Shanbhag (14,300 Equity Shares), Rajinder Pal Singh Anand (5,800 Equity Shares), Prakashkumar Champalal Parekh (4,300 Equity Shares), Shah & Shah Finsol Private Limited (4,300 Equity Shares), Naik Wealth Planners Private Limited (7,200 Equity Shares), Sanjay Jiwandas Khatri (7,200 Equity Shares), Vinay Sadashiv Shetty (4,300 Equity Shares), Anand Rathi Wealth Services Limited (28,600 Equity Shares), Ventura Securities Limited (14,300 Equity Shares), SPA Global Private Limited (9,600 Equity Shares), M D Saraf Securities Private Limited (14,300 Equity Shares), Batlivala & Karani Securities India Private Limited (4,300 Equity Shares), Shailendra Laxmidas Ashar (4,300 Equity Shares), Amrita Arvind Pandey (4,300 Equity Shares), Prakash Mahendra Thakkar (4,300 Equity Shares), Beyond Life Financial Services LLP (4,300 Equity Shares,) Bhavesh Indravadan Gandhi (4,300 Equity Shares), Praveen Dalmia (4,300 Equity Shares), Raj Ulpesh K (4,300 Equity Shares), Beena Hardik Shah (4,300 Equity Shares), Minesh R Dalal (7,200 Equity Shares), Jhaveri Securities Limited (9,600 Equity Shares), Dhaval Mahendra Desai (4,300 Equity Shares), Jignesh V Shah (7,200 Equity Shares), Amit N Thakkar (4,300 Equity Shares), Yogesh J. Shah (4,300 Equity Shares), Bimal Natubhai Desai (4,300 Equity Shares), Kanchan Jain (4,300 Equity Shares), Gaurav Madhav Ganpule (7,200 Equity Shares), Wealth Managers India Private Limited (4,300 Equity Shares), Finnovators Solutions Private Limited (4,300 Equity Shares), Dhananjay Manohar Kale (4,300 Equity Shares), Jaydeep Pradeep Doshi (4,300 Equity Shares), Kalyani Capital Services Private Limited (4,300 Equity Shares), Naresh Popatrao Karpe (4,300 Equity Shares), Sajag Securities Private Limited (7,200 Equity Shares), Vantage Wealth Management Solutions Private Limited (9,600 Equity Shares), Sanjay Madanlal Sanghvi (4,300 Equity Shares), Christopher John Louzado (7,200 Equity Shares), Rayomand Kaikhushru Madan (4,300 Equity Shares), Radhika Sunil Chitale (4,300 Equity Shares), Narendra Shrikisan Agrawal (4,300 Equity Shares), SWS Financial Solutions Private Limited (4,300 Equity Shares), Golkunda Commercial Private Limited (4,300 Equity Shares), Killol Subhashbhai Ringwala (14,300 Equity Shares), Oswal Dhan Private Limited. (9,600 Equity Shares), Natverlal Baldevdas Patel (4,300 Equity Shares), Jigar Anjaria (7,200 Equity Shares), DMS Investment Advisory Private Limited (4,300 Equity Shares), Dhirajlal Khushalchand Mehta (4,300 Equity Shares), Ushagauri Rasiklal Mehta (4,300 Equity Shares), Madhuvan Securities Private Limited (4,300 Equity Shares), Parmanand Virumal Devnani (4,300 Equity Shares), Shilpa Nitin Patel (7,200 Equity Shares), Milestone Financial Advisory Private Limited (4,300 Equity Shares), Shashank Jain (4,300 Equity Shares), Rajni Tayal (4,300 Equity Shares), Vista Wealth Consultants Private Limited (7,200 Equity Shares), Rakesh Pasricha(7,200 Equity Shares), Teena Gera (4,300 Equity Shares), Vinod Kumar Anand (4,300 Equity Shares), Polson Kooran Varghese (4,300 Equity Shares), Am wealth Managers Private Limited (14,300 Equity Shares), Brij Bhushan Marwaha (4,300

Equity Shares), Smc Global Securities Limited (19,100 Equity Shares), Aadi Wealth Management Private Limited (4,300 Equity Shares), Kabir Sondhi (4,300 Equity Shares), Blue Edge Associates LLP (7,200 Equity Shares), Almondz Global Securities Limited (7,200 Equity Shares), Vinod Kumar Gupta (4,300 Equity Shares), VSRK Wealth Creator Private Limited (4,300 Equity Shares), Chadha Investment Consultant Private Limited (4,300 Equity Shares), Sushma Jain (7,200 Equity Shares), Vijay Bhushan (4,300 Equity Shares), Akshaya Budhraja (4,300 Equity Shares), Nand Kishore Kothari (4,300 Equity Shares), SLA Finsol Private Limited (4,300 Equity Shares), Poonam Gupta (4,300 Equity Shares), Nisha Jain (4,300 Equity Shares), Ramesh Chand Malu (14,300 Equity Shares), Divitas Capital Advisors Private Limited (4,300 Equity Shares), Security Investments Limited (4,300 Equity Shares), SPA Capital Services Limited (19,100 Equity Shares), Moneygain Consultants Private Limited (4,300 Equity Shares), Prerna Jain (7,200 Equity Shares), Bluechip Capital Services (Pvt) Ltd (4,300 Equity Shares), Janak Dilip Shah (7,200 Equity Shares), Pooja Aggarwal (7,200 Equity Shares), Vivek Kumar Mahajan (4,300 Equity Shares), Bluechip Corporate Investment Centre Limited (28,600 Equity Shares), NJ India Invest Private Limited (76,200 Equity Shares), M/s. Prudent Corporate Advisory Services Limited (28,600 Equity Shares), Mukesh Jindal (7,200 Equity Shares), Paar Tax & Investment Consultants Private Limited (4,300 Equity Shares), Virendra Kumar Modi (4,300 Equity Shares), Sangeeta Vaidyanathan (4,300 Equity Shares), Sunil Bhanudas Kanade (4,300 Equity Shares), Vinod Vishwanath Bedia (4,300 Equity Shares), Sharad Gupta (4,300 Equity Shares), Mukesh Kumar Vinodlal Shah (4,300 Equity Shares), Simrita Kaur Ahluwalia (4,700 Equity Shares), Gaurav Rupak Arya (14,200 Equity Shares), Danesh Rustom Bharucha (4,700 Equity Shares), Vipul Roongta (23,800 Equity Shares), Kunal P. Wadhwani (9,500 Equity Shares), Vikram Dilip Ved (4,700 Equity Shares), Delnaz Homiyar Paliwalla (4,700 Equity Shares), Abhishek Ganguli (4,700 Equity Shares), Sweety Thomas (4,700 Equity Shares), Naresh Nadkarni (9,500 Equity Shares), Prashant M Barchha (4,700 Equity Shares), Borker Farhanali Sharif (4,700 Equity Shares), Zia K Lalkaka (14,200 Equity Shares), Krishnamurthy K G (19,000 Equity Shares), Keyur Sanat Shah (14,200 Equity Shares), Anita Makkar (9,500 Equity Shares).

Subsequently, KKR India Financial Services Private Limited purchased 1,282,100 Equity Shares from 176 allottees, at a price of ₹ 1,075 per Equity Share, which is equivalent to a gain of 12% p.a. for the period from the date of closure of the preferential allotment, i.e. April 26, 2018, to July 9, 2018. KKR India Financial Services Private Limited has further transferred 1,282,100 Equity Shares to KKR India Debt Opportunities Fund II.

It should be noted that this gain of 12% p.a. is not indicative of the market price of the Equity Shares after the Equity Shares are listed.

As on the date of this Prospectus, our Company has not issued any Equity Shares for consideration other than cash.

Except as disclosed above, in the last two years preceding the date of filing of this Prospectus, our Company has not issued any Equity Shares.

Our Company does not have any outstanding preference shares as on the date of filing of this Prospectus.

2. History of Build up, Contribution and Lock-in of Promoters' Shareholding

(a) Build up of Promoters' shareholding in our Company

Details of the build up of the shareholding of the Promoters in our Company are as follows:

Name of the Promoter	Date of transaction	Number of Equity Shares	Face value (₹)	Issue/ acquisition/sale price per Equity Share (₹)	% of pre-Offer capital #	% of post-Offer capital ##	Nature of consideration	Nature of transaction
HDFC (A)	March 23, 2000	70	10	10	0.00	0	Cash	Acquisition of beneficial interest**
	March 23, 2000	19,999,930	10	10	9.43	9.43	Cash	Preferential allotment(*)
	April 17, 2001	(5,200,000)	10	108.85	2.45	2.45	Cash	Transfer (1)
	January 31, 2002	(2,780,000)	10	144	1.31	1.31	Cash	Transfer (2)
	June 11, 2003	(2,000,000)	10	170	0.94	0.94	Cash	Transfer (3)
	June 18, 2003	2,585,661	10	170	1.22	1.22	Cash	Preferential allotment(*)
	October 8, 2007	2,490,939	10	730.28(6)	1.18	1.18	Cash	Acquisition by way of transfer(4)

Name of the Promoter	Date of transaction	Number of Equity Shares	Face value (₹)	Issue/ acquisition/sale price per Equity Share (₹)	% of pre-Offer capital [#]	% of post-Offer capital [##]	Nature of consideration	Nature of transaction
	February 7, 2018	45,289,800	10	N.A.	21.36	21.36	Other than cash	Bonus issue
A (total)		**120,772,800[@]**	**5**		**56.97**	**56.97**		
Standard Life Investments (B)	August 29, 2001	5,200,000	10	11.15	2.45	2.45	Cash	Acquisition by way of transfer (5)
	January 31, 2002	2,780,000	10	144	1.31	1.31	Cash	Acquisition by way of transfer (2)
	June 11, 2003	2,000,000	10	170	0.94	0.94	Cash	Acquisition by way of transfer (3)
	June 18, 2003	2,575,339	10	170	1.21	1.21	Cash	Preferential allotment(*)
	October 8, 2007	(2,490,939)	10	729.88	1.18	1.18	Cash	Transfer(4)
	February 7, 2018	30,193,200	10	N.A.	14.24	14.24	Other than cash	Bonus issue
B (total)		**80,515,200[@]**	**5**		**37.98[@]**	**37.98**		-
Total (A+B)		**201,288,000**	**5**		**94.96**	**94.96**		-

[#]As of the date of this Prospectus
[##]As of the date of this Prospectus and duly adjusted for the Offer
**Please see "Notes to Capital Structure – Share Capital History" on page 80 of this Prospectus.*
***On April 30, 2013, title to 40 Equity Shares held by nominee shareholders were transferred jointly to HDFC and certain existing employees of HDFC. Further, title to the 70 Equity Shares has been transferred to HDFC as the sole holder of Equity Shares with effect from November 29, 2017*
[@]With effect from February 13, 2018, each Equity Share with a face value of ₹ 10 each was sub-divided into two Equity Shares with a face value of ₹ 5 each, pursuant to a Shareholders' resolution dated February 6, 2018.

(1) *Transfer of 5,200,000 Equity Shares from HDFC to The Standard Life Assurance Company pursuant to the Joint Participation Agreement*
(2) *Transfer of 2,780,000 Equity Shares from HDFC to Standard Life Investments pursuant to the Shareholders Agreement 2001*
(3) *Transfer of 2,000,000 Equity Shares from HDFC to Standard Life Investments pursuant to the Shareholders Agreement*
(4) *Transfer of 2,490,939 Equity Shares from Standard Life Investments to HDFC*
(5) *Transfer of 5,200,000 Equity Shares from The Standard Life Assurance Company to Standard Life Investments*
(6) *Includes payment of stamp duty of ₹1 million*

None of the Equity Shares held by our Promoters are pledged. The Equity Shares allotted by our Company to our Promoters were fully paid-up as on their respective dates of allotment.

(b) Shareholding of our Promoters, Promoter Group and directors of our Promoters

Details of the Equity Shares held by our Promoters, members of the Promoter Group and directors of our Promoters as of the date of this Prospectus are as follows:

S No.	Name of shareholder	Pre-Offer*		Post-Offer**	
		Number of Equity Shares	%	Number of Equity Shares	%
Promoters					
1.	HDFC	120,772,800	56.97	112,179,830[#]	52.92[#]
2.	Standard Life Investments	80,515,200	37.98	63,650,615[#]	30.03[#]
Promoter Group (other than Promoters)					
3.	NIL				
Directors of HDFC**					
4.	Deepak Parekh (1)	160,000	0.08	160,000^	0.08^
5.	Keki Mistry (2)	120,000	0.06	120,000^	0.06^
6.	Renu Karnad (3)	120,000	0.06	120,000^	0.06^

** As of the date of this Prospectus*
^This may change based on any subscription that the directors may have pursuant to the Offer, which is subject to the finalisation of the Basis of Allotment

*** As of the date of this Prospectus and duly adjusted for the Offer*
 # Assuming Allotment of all the Equity Shares offered for sale by way of the Offer
(1) Held jointly with Smita Parekh
(2) Held jointly with Arnaaz Mistry
(3) Held jointly with Bharat Karnad.

(c) The details of the shareholding of the Promoter Selling Shareholders are as follows:

S No.	Name of shareholder	Pre-Offer*		Post-Offer**	
		Number of Equity Shares	%	Number of Equity Shares#	%
1.	HDFC	120,772,800	56.97	112,179,830	52.92
2.	Standard Life Investments	80,515,200	37.98	63,650,615	30.03

** As of the date of this Prospectus*
*** As of the date of this Prospectus and duly adjusted for the Offer*
 # Assuming Allotment of all the Equity Shares offered for sale by way of the Offer

(d) Details of Promoter's contribution and lock-in

Pursuant to Regulation 36(a) of the ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer capital of our Company held by our Promoters, *i.e.* assuming exercise of all vested employee stock options, shall be locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**"), and our Promoters' shareholding, other than the Equity Shares transferred pursuant to the Offer, in excess of Promoters' Contribution shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Promoters' Contribution would be as per applicable law and procedures and details of the same shall be provided to the Stock Exchanges before listing of the Equity Shares.

Our Promoters, HDFC and Standard Life Investments, have confirmed the inclusion of such number of Equity Shares held by them, in aggregate, as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company *i.e.* assuming exercise of all vested employee stock options, as Promoters' Contribution and have agreed not to sell, transfer, charge, pledge or otherwise encumber, in any manner, the Promoters' Contribution from the date of filing of this Prospectus, until the commencement of the lock-in period specified above, or for such other time as required under ICDR Regulations. Details of the Promoters' Contribution are as provided below:

Name of the Promoter	Number of Equity Shares locked-in	Date of allotment/acquisition	Face value (₹)	Issue/Acquisition price per Equity Shares (₹)	Nature of transaction	Source of funds	% of the post-Offer Capital*
HDFC	27,234,716	February 7, 2018	5	N.A.	Bonus	N.A.	12.76%
Standard Life Investments	15,452,924	February 7, 2018	5	N.A.	Bonus	N.A.	7.24%
Total	**42,687,640**						**20%**

** Fully diluted post-Offer Equity Share capital i.e. assuming exercise of all vested employee stock options*

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters, as required under the ICDR Regulations.

The Equity Shares that are being locked-in are not ineligible for computation of Promoters' Contribution under Regulation 33 of the ICDR Regulations. In this regard, we confirm that:

(i) The Equity Shares offered towards Promoters' Contribution have not been acquired during the preceding three years (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' Contribution;

(ii) The Equity Shares offered towards Promoters’ Contribution have not been acquired during the preceding one year, at a price lower than the price at which the Equity Shares will be offered to the public in the Offer;

(iii) The Equity Shares held by the Promoters are not subject to any pledge;

(iv) Our Company has not been formed by the conversion of a partnership firm into a company;

(v) All Equity Shares held by the Promoters including the Equity Shares offered for Promoters' Contribution are held in dematerialised form; and

(vi) No member of our Promoter Group holds any Equity Shares.

3. **Details of Equity Share Capital locked-in for one year**

Unless provided otherwise under applicable law, the entire pre-Offer capital of our Company shall be locked in for a period of one year from the date of Allotment, except for (a) the Promoters' Contribution which shall be locked in for three years, as set out above; (b) the Equity Shares which will be transferred by way of the Offer for Sale; (c) the Equity Shares held by the eligible employees of our Company, which were allotted to, and are currently held by, such employees (who continue to be such employees as on the date of Allotment) pursuant to exercise of options under the ESOS Schemes; and (d) the Equity Shares which may be allotted, pursuant to exercise of options under the ESOS Schemes, to the eligible employees of our Company prior to completion of the Offer, who continue to be such employees as on the date of Allotment.

4. **Other requirements in respect of lock-in**

The Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans, subject to applicable laws.

The Equity Shares held by our Promoters which are locked-in may be transferred to and amongst the Promoter Group entities or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

Further, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares, which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in applicable to the transferee and compliance with the provisions of the Takeover Regulations.

Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

5. **Shareholding pattern of our Company**

The table below represents the equity shareholding pattern of our Company as on the date of this Prospectus:

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)= (IV)+(V)+(VI)	Shareholding as a %of total no. of Equity Shares (calculate as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Equity Shares Underlying Outstanding convertible Securities (including Warrants)(X)	Shareholding, as a % assuming full conversion of convertible securities(as a percentage of diluted share capital) (XI) =(VII)+(X) As a % of (A+B+ C2)	Number of Locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No. of Voting Rights			Total as a %of(A+B+C)			No. (a)	As a %of total Shares held (b)	No.(a)	Asa % of total Shares held(b)	
								Class EQUITY	Class NA	Total								
(A)	Promoters & Promoter Group	2	20,12,88,000^	-	-	20,12,88,000	94.95%	20,12,88,000	-	20,12,88,000	94.95 %	-	94.95%	-	-	-	-	20,12,88,000
(B)	Public	87	1,07,00,800	-	-	1,07,00,800	5.05%	1,07,00,800	-	1,07,00,800	5.05%	-	5.05%	-	-	37,50,840	1.77%	1,07,00,800
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trust	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**89**	**21,19,88,800**	-	-	**21,19,88,800**	**100%**	**21,19,88,800**	-	**21,19,88,800**	**100%**	-	**100%**	-	-	37,50,840	**1.77%**	**21,19,88,800**

^Includes 25,457,555 Equity Shares held by HDFC and SLI with the Share Escrow Agent, which have been offered for sale by way of this Offer

Our Company will file the shareholding pattern, in the form prescribed under Regulation 31 of the Listing Regulations, one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on the website of Stock Exchanges before the commencement of trading of the Equity Shares.

6. **Shareholding of our Directors and/or Key Management Personnel**

Except as set forth below, none of our Directors or Key Management Personnel hold any Equity Shares as on the date of this Prospectus:

Sr. No.	Name of shareholder	Number of Equity Shares held^	Pre-Offer(%)*	Post-Offer(%)**^
Directors				
1.	Milind Barve (1)	1,040,000	0.49	0.49
2.	Deepak Parekh (2)	160,000	0.08	0.08
3.	Keki Mistry (3)	120,000	0.06	0.06
4.	Renu Karnad (4)	120,000	0.06	0.06
Key Management Personnel				
1.	Prashant Jain (5)	888,000	0.42	0.42
2.	Yezdi Khariwala	304,000	0.14	0.14
3.	V. Suresh Babu (6)	220,000	0.10	0.10
4.	Kiran Kaushik(7)	184,000	0.09	0.09
5.	John Mathew	176,000	0.08	0.08
6.	Alok Sheopurkar	160,000	0.08	0.08
7.	Piyush Surana	160,000	0.08	0.08
8.	Sylvia Furtado	120,000	0.06	0.06
Total		**3,652,000**	**1.72**	**1.72**

^This may change based on any Equity Shares purchased by our Directors and Key Managerial Personnel pursuant to the Offer, which is subject to finalisation of Basis of Allotment

** As of the date of this Prospectus*

*** As of the date of this Prospectus and duly adjusted for the Offer*

(1) Held jointly with Amruta Barve
(2) Held jointly with Smita Parekh
(3) Held jointly with Arnaaz Mistry
(4) Held jointly with Bharat Karnad.
(5) Held jointly with Divya Jain
(6) Held jointly with Sunita Suresh
(7) Held jointly with Lakshmi Kaushik

7. As on the date of this Prospectus, our Company has 89 shareholders.

8. **Top 10 shareholders**

(a) Our top 10 Equity Shareholders and the number of Equity Shares held by them, as on the date of this Prospectus are as follows:

S. No.	Shareholder	Pre-Offer*					Post-Offer**^^^				
		Number of Equity Shares held (A)	**Percentage (%)**	**Number of ESOS options granted #**	**Number of Equity Shares issuable upon exercise of ESOS options granted (B)#**	**Total number of Equity Shares (A+B)**	**Number of Equity Shares held (C)**	**Percentage (%)**	**Number of ESOS options granted #**	**Number of Equity Shares issuable upon exercise of ESOS options granted (D) #**	**Total number of Equity Shares (C+D)**
1.	HDFC^	120,772,800	56.97	-	-	120,772,800	112,179,830	52.92@	-	-	112,179,830@
2.	Standard Life Investments^^	80,515,200	37.98	-	-	80,515,200	63,650,615	30.03@	-	-	63,650,615@
3.	KKR India Debt Opportunities Fund II@@	1,282,100	0.60	-	-	1,282,100	1,282,100	0.60	-	-	1,282,100
4.	Milind Barve (1)	1,040,000	0.49	130,000	130,000	1,170,000	1,040,000	0.49	130,000	130,000	1,170,000
5.	Prashant Jain (2)	888,000	0.42	40,000	40,000	928,000	888,000	0.42	40,000	40,000	928,000
6.	Shobhit Mehrotra	360,000	0.17	11,200	11,200	371,200	360,000	0.17	11,200	11,200	371,200
7.	Chirag Setalvad	320,000	0.15	16,000	16,000	336,000	320,000	0.15	16,000	16,000	336,000
8.	Yezdi Khariwala	304,000	0.14	8,000	8,000	312,000	304,000	0.14	8,000	8,000	312,000
9.	Anil Bamboli	280,000	0.13	11,200	11,200	291,200	280,000	0.13	11,200	11,200	291,200
10.	Shyamali Basu	264,000	0.13	6,800	6,800	270,800	264,000	0.13	6,800	6,800	270,800
	Total	**206,026,100**	**97.18**	**223,200**	**223,200**	**206,249,300**	**180,568,545**	**85.18**	**223,200**	**223,200**	**180,791,745**

^^^This may change based on any Equity Shares purchased by such persons (other than the Promoters) pursuant to the Offer, which is, subject to finalisation of Basis of Allotment.

** As of the date of this Prospectus*

***As of the date of this Prospectus and duly adjusted for the Offer*

 # Adjusted on account of corporate actions viz. bonus issue and sub-division of Equity Shares pursuant to Shareholders' resolutions dated February 6, 2018. Bonus shares were allotted on February 7, 2018 and the record date for sub-division of Equity Shares was February 13, 2018.

@Assuming Allotment of all the Equity Shares offered for sale by way of the Offer

@@ Pursuant to transfer from KKR India Financial Services Private Limited

^Includes 8,592,970 Equity Shares held by HDFC with the Share Escrow Agent, which have been offered for sale by way of this Offer

^^ Includes 16,864,585 Equity Shares held by SLI with the Share Escrow Agent, which have been offered for sale by way of this Offer

(1) Held jointly with Amruta Barve
(2) Held jointly with Divya Jain

(b) Our top 10 Equity Shareholders and the number of Equity Shares held by them 10 days prior to filing of this Prospectus were as follows:

S. No.	**Shareholder**	**Pre-Offer***				
		Number of Equity Shares held (A)	**Percentage (%)**	**Number of ESOS options granted #**	**Number of Equity Shares issuable upon exercise of ESOS options granted (B) #**	**Total number of Equity Shares (A+B)**
1.	HDFC^	120,772,800	56.97	-	-	120,772,800
2.	Standard Life Investments^^	80,515,200	37.98	-	-	80,515,200
3.	KKR India Financial Services Private Limited	1,282,100	0.60	-	-	1,282,100
4.	Milind Barve (1)	1,040,000	0.49	130,000	130,000	1,170,000
5.	Prashant Jain (2)	888,000	0.42	40,000	40,000	928,000
6.	Shobhit Mehrotra	360,000	0.17	11,200	11,200	371,200
7.	Chirag Setalvad	320,000	0.15	16,000	16,000	336,000
8.	Yezdi Khariwala	304,000	0.14	8,000	8,000	312,000
9.	Anil Bamboli	280,000	0.13	11,200	11,200	291,200
10.	Shyamali Basu	264,000	0.13	6,800	6,800	270,800
	Total	**206,026,100**	**97.18**	**223,200**	**223,200**	**206,249,300**

** As of the date of this Prospectus*

 # Adjusted on account of corporate actions viz. bonus issue and sub-division of Equity Shares pursuant to Shareholders' resolutions dated February 6, 2018. Bonus shares were allotted on February 7, 2018 and the record date for sub-division of Equity Shares was February 13, 2018.

^Includes 8,592,970 Equity Shares held by HDFC with the Share Escrow Agent, which have been offered for sale by way of this Offer

^^ Includes 16,864,585 Equity Shares held by SLI with the Share Escrow Agent, which have been offered for sale by way of this Offer

(1) Held jointly with Amruta Barve

(2) Held jointly with Divya Jain

(c) Our Equity Shareholders two years prior to the date of filing of this Prospectus were as follows:

S. No.	**Shareholder**	**Pre-Offer***				
		Number of equity shares of face value ₹10 each held (A)	**Percentage (%)**	**Number of ESOS options granted**	**Number of equity shares of face value ₹10 each issuable upon exercise of ESOS options granted (B)**	**Total number of equity shares of face value ₹10 each (A+B)**
1.	HDFC (1)	15,096,570	59.99	-	-	15,096,570
2.	Standard Life Investments	10,064,400	39.99	-	-	10,064,400
3.	Amitabh Prakash	1,100	0.00	-	-	1,100
4.	Abhijit Mungale	1,000	0.00	-	-	1,000
5.	Prashant Jain(2)	1,000	0.00	110,000	110,000	111,000
6.	G. Srikanth	100	0.00	28,000	28,000	28,100
7.	Keki Mistry (3)	10	0.00	15,000	15,000	15,010
8.	Milind Barve (4)	10	0.00	140,000	140,000	140,010
9.	Conrad D'Souza (5)	10	0.00	-	-	10
	Total	**25,164,200**	**100**	**293,000**	**293,000**	**25,457,200**

** As of the date of this Prospectus*
(1) In addition to 15,096,530 Equity Shares held by HDFC, 40 Equity Shares were held by HDFC jointly with (i) Suresh Menon (10 Equity Shares); (ii) Satrajit Bhattacharya (10 Equity Shares); (iii) Renu Karnad (10 Equity Shares); and (iv) V.S. Rangan (10 Equity Shares) who are the nominees of HDFC
(2) Held jointly with Divya Jain
(3) Held as nominee of HDFC
(4) Held as nominee of HDFC
(5) Held as nominee of HDFC

9. **Employees Stock Option Schemes**

Our Company has implemented various employee stock option schemes ("**ESOS schemes**").
Our Company has pursuant to the Shareholders' resolutions dated March 10, 2008, August 13, 2012, December 9, 2015 and April 29, 2017, approved the issuance of up to 4,250,000 Equity Shares, in aggregate, to eligible employees through employee stock option scheme(s).

Our Company, pursuant to resolutions passed by the Nomination & Remuneration Committee of Directors on March 10, 2008, August 25, 2009, September 14, 2012, June 26, 2013 and June 22, 2016 adopted ESOS 2008 – Series I and ESOS 2008 - Series II, ESOS 2009 – Series I, ESOS 2012 – Series I and ESOS 2012 – Series II, ESOS 2013 – Series I and ESOS 2015 – Series II respectively. All the options granted under these ESOS schemes have been either exercised or cancelled and therefore these ESOS schemes have been considered closed.

Our Company has pursuant to the Shareholders' resolution dated December 9, 2015 approved the issuance of up to 1,050,000 Equity Shares to eligible employees through employee stock option scheme(s). Pursuant to this, our Company has through the resolutions dated December 10, 2015 and March 16, 2017 of the Nomination & Remuneration Committee of Directors, adopted ESOS 2015 – Series I and ESOS 2015-Series III respectively.

Our Company has pursuant to the Shareholders' resolution dated April 29, 2017 approved the issuance of up to 2,00,000 Equity Shares to eligible employees through employee stock option scheme(s). Pursuant to this, our Company has through the resolutions dated July 28, 2017 and January 17, 2018 of the Nomination & Remuneration Committee of Directors, adopted ESOS 2017 – Series I and ESOS 2017-Series II respectively.

The objective of the ESOS 2015-Series I, ESOS 2015- Series III, ESOS 2017-Series I and ESOS 2017- Series II is to attract, retain and motivate talented and critical employees of our Company, reward our employees' performance with ownership in proportion to their contribution, encourage our employees to align individual performance with our Company's objectives and to align our employees' interest with those of our Company. The ESOS 2015-Series I, ESOS 2015- Series III, ESOS 2017-Series I and ESOS 2017-Series II are in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2015. As on the date of this Prospectus, our Company has granted 3,921,875 options under all the ESOS Schemes.

Details of grants, exercise and lapsed options as on the date of this Prospectus on a cumulative basis are as follows:

Particulars	**Details**
Total Options granted	3,921,875
Options forfeited/ lapsed/ cancelled	167,700*
Options exercised	3,567,000
Total number of Equity Shares arising as a result of exercise of options	3,567,000
Options vested (including options that have been exercised)	3,748,175
Total number of vested options in force	1,449,400**
Total number of options in force	1,497,400**

* *This includes all lapsed employee stock options which were available for fresh grant under the ESOS and were cancelled by the Nomination & Remuneration Committee at its meeting held on January 17, 2018.*
***Adjusted on account of corporate actions viz. bonus issue and sub-division of Equity Shares pursuant to Shareholders' resolutions dated February 6, 2018. Bonus shares were allotted on February 7, 2018 and the record date for sub-division of Equity Shares was February 13, 2018.*

(a) ESOS 2017 Series II:

Particulars	Details for financial year ended March 31,		
	2016	**2017**	**2018**
Options granted	Nil	Nil	6,000
Pricing Formula	The options were granted at exercise price equal to fair market value per Equity Share as per the Valuation Report on the date of grant.		
Vesting Details			
a) Vesting Portion	100% of the options granted on Jan 17, 2018 shall vest on Jan 17, 2019		
b) Vesting period from date of grant	Vests over the period of 1 year		
c) Basis of vesting	Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period		
Options vested (including options Exercised)	Nil	Nil	Nil
Options Exercised	Nil	Nil	Nil
The total number of shares arising as a result of exercise of options (including options that have been exercised)	Nil	Nil	Nil
Options forfeited/lapsed/cancelled	Nil	Nil	Nil
Variation of terms of options	Nil	Nil	Nil
Money realized by exercise of options (₹)	Nil	Nil	Nil
Total number of options in force	Nil	Nil	48,000 #
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard i.e. Accounting Standard (AS) 20	Fully diluted EPS has been disclosed at Company level. For details, refer Note 1 below		
Method of Accounting followed for stock options granted to employees	Intrinsic value method of accounting has been followed for stock options granted to employees		
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Details have been disclosed at Company level. Refer Note 1 below		
Impact on profits of the Company (₹ thousands)			
Basic EPS (₹)			
Diluted EPS (₹)			
Weighted average exercise price of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year	No Options were granted during the year	992 #
Exercise price is greater than market price on the date of grant			Nil

Exercise price is less than market price on the date of grant			Nil
Weighted average fair value of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year	No Options were granted during the year	341 #
Exercise price is greater than market price on the date of grant			Nil
Exercise price is less than market price on the date of grant			Nil
A description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely,	No Options were granted during the year	No Options were granted during the year	
Method used for computing fair value of Options			The Black Scholes valuation model has been used for computing fair value of options
Risk free interest rate	NA	NA	6.97
Expected life	NA	NA	3.5 years
Expected volatility	NA	NA	40.67%
Expected dividends	NA	NA	1.86 p.a.
Price of underlying share in the market at the time of grant of option (₹)	NA	NA	7,936
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Nil, Options under this scheme have not vested yet.		
Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOS Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil		

Employee wise details of options granted to

(i) Senior Managerial Personnel

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
1.	Nil				

(ii) Any employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding #
1.	Bhavyesh M Divecha	Credit Analyst	3,000	-	24,000
2.	Sankalp Baid	Credit Analyst	3,000	-	24,000

(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
	Nil				

 # Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc. (individually referred to as 'corporate action'), the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination & Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and its exercise price. The effect of the said Corporate Actions has been considered for the number of options in force/ no. of options outstanding and its exercise price.

Pursuant to the Corporate Actions, the number of options in force / no. of outstanding options of 6,000 (before corporate action) have been adjusted to 48,000 (after corporate action). The exercise price of the options granted of ₹7,936 (before corporate action) was adjusted to ₹992 (after corporate action). The weighted average fair value of options granted during the year before the corporate action was ₹2,726 and after the corporate action is ₹341.

(b) ESOS 2017 Series I:

Particulars	Details for the financial year ended March 31,		
	2016	2017	2018
Options granted	Nil	Nil	158,875
Pricing Formula	The options were granted at exercise price equal to fair market value per Equity Share as per the Valuation Report on the date of grant.		
Vesting Details			
a) Vesting Portion	100% of the options granted on July 28, 2017 shall vest on July 28, 2018		
b) Vesting period from date of grant	Vests over the period of 1 year		
c) Basis of vesting	Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period		
Options vested (including options Exercised)	Nil	Nil	Nil
Options Exercised	Nil	Nil	Nil
The total number of shares arising as a result of exercise of options (including options that have been exercised)	Nil	Nil	Nil
Options forfeited/lapsed/cancelled	Nil	Nil	1,150
Variation of terms of options	Nil	Nil	Nil
Money realized by exercise of options (₹)	Nil	Nil	Nil
Total number of options in force	Nil	Nil	1,261,800 #
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard i.e. Accounting Standard (AS) 20	Fully diluted EPS has been disclosed at Company level. For details, refer Note 1 below		
Method of Accounting followed for stock options granted to employees	Intrinsic value method of accounting has been followed for stock options granted to employees		
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits	Details have been disclosed at Company level. Refer Note 1 below		

of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)			
Impact on profits of the Company (₹ thousands)			
Basic EPS (₹)			
Diluted EPS (₹)			
Weighted average exercise price of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year	No Options were granted during the year	669.125 #
Exercise price is greater than market price on the date of grant			Nil
Exercise price is less than market price on the date of grant			Nil
Weighted average fair value of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year	No Options were granted during the year	97 #
Exercise price is greater than market price on the date of grant			Nil
Exercise price is less than market price on the date of grant			Nil
A description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely,	No Options were granted during the year	No Options were granted during the year	
Method used for computing fair value of Options			The Black Scholes valuation model has been used for computing fair value of options
Risk free interest rate	NA	NA	6.66%
Expected life	NA	NA	3.5 years
Expected volatility	NA	NA	0%
Expected dividends	NA	NA	1.86 p.a.
Price of underlying share in the market at the time of grant of option (₹)	NA	NA	5,353
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Nil, Options under this scheme have not vested yet		
Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOS Scheme, amounting to more	Nil		

than 1% of the issued capital (excluding outstanding warrants and conversions)	

Employee wise details of options granted to

(i) Senior Managerial Personnel

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding #
1.	Milind Barve	Managing Director	6,250	-	50,000
2.	Prashant Jain	Chief Investment Officer	5,000	-	40,000
3.	Kiran Kaushik	Head - Sales and Distribution	1,150	-	9,200
4.	V Suresh Babu	Head - Operations	1,000	-	8,000
5.	John Mathew	Head - Client Services	1,000	-	8,000
6.	Yezdi Khariwala	Chief Compliance Officer	1,000	-	8,000
7.	Alok Sheopurkar	Head - Human Resources	1,000	-	8,000
8.	Piyush Surana	Chief Financial Officer	900	-	7,200
9.	Sylvia Furtado	Company Secretary	750	-	6,000

(ii) Any employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
	Nil				

(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
	Nil				

 # Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc. (individually referred to as 'corporate action'), the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination & Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and its exercise price. The effect of the said Corporate Actions has been considered for the number of options in force / no. of options outstanding and its exercise price.

Pursuant to the Corporate Actions, the number of options in force / no. of outstanding options of 157,725 (before corporate action) have been adjusted to 1,261,800 (after corporate action). The exercise price of the options granted of ₹5,353 (before corporate action) was adjusted to ₹669.125 (after corporate action). The weighted average fair value of options granted during the year before the corporate action was ₹777 and after the corporate action is ₹97.

(c) ESOS 2015 Series III:

Particulars	Details for the financial year ended March 31,		
	2016	2017	2018
Options granted	Nil	14,000	Nil
Pricing Formula	The options were granted at exercise price equal to fair market value per Equity Share as per the Valuation Report on the date of grant.		
Vesting Details			
a) Vesting Portion	100% of the options granted on March 16, 2017 shall vest on March 16, 2018		
b) Vesting period from date of grant	Vests over the period of 1 year		

c) Basis of vesting	Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period		
Options vested (including options Exercised)	Nil	Nil	112,000 #
Options Exercised	Nil	Nil	Nil
The total number of shares arising as a result of exercise of options (including options that have been exercised)	Nil	Nil	Nil
Options forfeited/lapsed/cancelled	Nil	Nil	Nil
Variation of terms of options	Nil		
Money realized by exercise of options (₹)	Nil	Nil	Nil
Total number of options in force	Nil	14,000	112,000 #
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard i.e. Accounting Standard (AS) 20	Fully diluted EPS has been disclosed at Company level. For details, refer Note 1 below		
Method of Accounting followed for stock options granted to employees	Intrinsic value method of accounting has been followed for stock options granted to employees		
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Details have been disclosed at Company level. Refer Note 1 below		
Impact on profits of the Company (₹ thousands)			
Basic EPS (₹)			
Diluted EPS (₹)			
Weighted average exercise price of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	590.125 #	No Options were granted during the year.
Exercise price is greater than market price on the date of grant		Nil	
Exercise price is less than market price on the date of grant		Nil	
Weighted average fair value of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	93 #	No Options were granted during the year.
Exercise price is greater than market price on the date of grant		Nil	
Exercise price is less than market price on the date of grant		Nil	
A description of the method and significant assumptions used	No Options were granted during the year.		No Options were granted during the year.

during the year to estimate the fair values of options, including weighted average information, namely,			
Method used for computing fair value of Options		The Black Scholes valuation model has been used for computing fair value of options	
Risk free interest rate	NA	7.02%	NA
Expected life	NA	3.5 years	NA
Expected volatility	NA	0%	NA
Expected dividends	NA	1.80% p.a.	NA
Price of underlying share in the market at the time of grant of option (₹)	NA	4,721	NA
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Nil, Options under this scheme have not been exercised yet		
Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOS Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil		

Employee wise details of options granted to

(i) Senior Managerial Personnel

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
Nil					

(ii) Any employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding #
1.	Mudeita Patrao	Senior Vice President and Head – Digitization	14,000	-	112,000

(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
Nil					

 # Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc. (individually referred to as 'corporate action'), the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains

unchanged. Accordingly, the Nomination & Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and its exercise price. The effect of the said Corporate Actions has been considered for the number of options in force / no. of options outstanding and its exercise price.

Pursuant to the Corporate Actions, the number of options in force / no. of outstanding options of 14,000 (before corporate action) have been adjusted to 112,000 (after corporate action). The exercise price of the options granted of ₹4,721(before corporate action) was adjusted to ₹590.125 (after corporate action). The weighted average fair value of options granted during the year before the corporate action was ₹740 and after the corporate action is ₹93.

(d) ESOS 2015 Series II:

Particulars	Details for the financial year ended March 31,		
	2016	2017	2018
Options granted	Nil	7,000	Nil
Pricing Formula	The options were granted at exercise price equal to fair market value per Equity Share as per the Valuation Report on the date of grant.		
Vesting Details			
a) Vesting Portion	100% of options granted on June 22, 2016 vested on June 22, 2017		
b) Vesting period from date of grant	Vests over the period of 1 year		
c) Basis of vesting	Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period		
Options vested (including options Exercised)	Nil	Nil	7,000
Options Exercised	Nil	Nil	7,000
The total number of shares arising as a result of exercise of options (including options that have been exercised)	Nil	Nil	7,000
Options forfeited/lapsed/cancelled	Nil	Nil	Nil
Variation of terms of options	Nil		
Money realized by exercise of options (₹)	Nil	Nil	28,546,000
Total number of options in force	Nil	7,000	Nil
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard i.e. Accounting Standard (AS) 20	Fully diluted EPS has been disclosed at Company level. For details, refer Note 1 below		
Method of Accounting followed for stock options granted to employees	Intrinsic value method of accounting has been followed for stock options granted to employees.		
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Details have been disclosed at Company level. Refer Note 1 below.		
Impact on profits of the Company (₹ thousands)			
Basic EPS (₹)			

Diluted EPS (₹)			
Weighted average exercise price of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	4,078	No Options were granted during the year.
Exercise price is greater than market price on the date of grant		Nil	
Exercise price is less than market price on the date of grant		Nil	
Weighted average fair value of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	455	No Options were granted during the year.
Exercise price is greater than market price on the date of grant		Nil	
Exercise price is less than market price on the date of grant		Nil	
A description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely,	No Options were granted during the year.		No Options were granted during the year.
Method used for computing fair value of Options		The Black Scholes valuation model has been used for computing fair value of options	
Risk free interest rate	NA	6.81% p.a.	NA
Expected life	NA	2.5 years	NA
Expected volatility	NA	0%	NA
Expected dividends	NA	1.80% p.a.	NA
Price of underlying share in the market at the time of grant of option (₹)	NA	4,078	NA
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Other than the employees listed in Note 2 below, the Company is not aware of the intention of any holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months of listing. However, please note that the intention of such employees may not fructify.		
Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOS Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Number of equity shares intended to be sold by such employees within three months from the date of listing has been disclosed in Note 2 below.		

Employee wise details of options granted to

(i) Senior Managerial Personnel

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding

Nil

(ii) Any employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
1.	Amit Golchha	Senior Equity Analyst	7,000	7,000	-

(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
	Nil				

Note: Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc. (individually referred to as 'corporate action'), the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination & Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and its exercise price. The effect of the said Corporate Actions has been considered for the number of options in force /no. of options outstanding and its exercise price.

(e) ESOS 2015 Series I:

Particulars	Details for the financial year ended March 31,		
	2016	2017	2018
Options granted	1,000,000	Nil	Nil
Pricing Formula	The options were granted at exercise price equal to fair market value per Equity Share as per the Valuation Report on the date of grant.		
Vesting Details			
a) Vesting Portion	100% of the options granted on December 10, 2015 vested on December 10, 2016		
b) Vesting period from date of grant	Vests over the period of 1 year		
c) Basis of vesting	Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period		
Options vested (including options Exercised)	Nil	1,000,000	Nil
Options Exercised	Nil	Nil	972,000
The total number of shares arising as a result of exercise of options (including options that have been exercised)	Nil	Nil	972,000
Options forfeited/lapsed/cancelled	Nil	18,000	18,000 **
Variation of terms of options	Nil	Change in exercise period from 3 to 5 years and nomenclature of the scheme from ESOS 2015 to ESOS 2015 – Series I	Nil
Money realized by exercise of options (₹)	Nil	Nil	3,833,568,000
Total number of options in force	1,000,000	982,000	80,000 #
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard i.e. Accounting Standard (AS) 20	Fully diluted EPS has been disclosed at Company level. For details, refer Note 1 below		
Method of Accounting followed	Intrinsic value method of accounting has been followed for stock options granted to		

for stock options granted to employees	employees		
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Details have been disclosed at Company level. Refer Note 1 below		
Impact on profits of the Company (₹ thousands)			
Basic EPS (₹)			
Diluted EPS (₹)			
Weighted average exercise price of Options granted during the year:			
Exercise price equals market price on the date of grant	493 #	No Options were granted during the year.	No Options were granted during the year.
Exercise price is greater than market price on the date of grant	Nil		
Exercise price is less than market price on the date of grant	Nil		
Weighted average fair value of Options granted during the year:			
Exercise price equals market price on the date of grant	60 #	No Options were granted during the year.	No Options were granted during the year.
Exercise price is greater than market price on the date of grant	Nil		
Exercise price is less than market price on the date of grant	Nil		
A description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely,		No Options were granted during the year.	No Options were granted during the year.
Method used for computing fair value of Options	The Black Scholes valuation model has been used for computing fair value of options		
Risk free interest rate	7.18% p.a.	NA	NA
Expected life	2.5 years	NA	NA
Expected volatility	0%	NA	NA
Expected dividends	1.77% p.a.	NA	NA
Price of underlying share in the market at the time of grant of option (₹)	3,944	NA	NA
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the	Other than the employees listed in Note 2 below, the Company is not aware of the intention of any holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months of listing. However, please note that the intention of such employees may not fructify.		

Offer	
Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOS Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Number of equity shares intended to be sold by such employees within three months from the date of listing has been disclosed in Note 2 below.

Employee wise details of options granted to

(i) Senior Managerial Personnel

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding #
1.	Milind Barve	Managing Director	125,000	115,000	80,000
2.	Prashant Jain	Chief Investment Officer	100,000	100,000	-
3.	Kiran Kaushik	Head – Sales and Distribution	23,000	23,000	-
4.	V Suresh Babu	Head – Operations	20,000	20,000	-
5.	John Mathew	Head - Client Services	20,000	20,000	-
6.	Yezdi Khariwala	Chief Compliance Officer	20,000	20,000	-
7.	Alok Sheopurkar	Head - Human Resources	20,000	20,000	-
8.	Piyush Surana	Chief Financial Officer	18,000	18,000	-
9.	Sylvia Furtado	Company Secretary	15,000	15,000	-

(ii) Any employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding #
1.	Milind Barve	Managing Director	125,000	115,000	80,000
2.	Prashant Jain	Chief Investment Officer	100,000	100,000	-

(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
Nil					

 # Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc. (individually referred to as 'corporate action'), the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination & Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and its exercise price. The effect of the said Corporate Actions has been considered for the number of options in force / no. of options outstanding and its exercise price.

Pursuant to the Corporate Actions, the number of options in force / no. of outstanding options of 10,000 (before corporate action) have been adjusted to 80,000 (after corporate action). The exercise price of the options granted of ₹3,944 (before corporate action) was adjusted to ₹493 (after corporate action). The weighted average fair value of options granted during the year before the corporate action was ₹478 and after the corporate action is ₹60.

*** the Nomination & Remuneration Committee of the Company at its meeting held on January 17, 2018 has approved cancellation of all lapsed Employee Stock Options which were available for fresh grant under this ESOS.*

(f) ESOS 2013 Series I:

Particulars	**Details for the financial year ended March 31,**		
	2016	**2017**	**2018**
Options granted	Nil	Nil	Nil
Pricing Formula	The options were granted at exercise price equal to fair market value per Equity Share as per the Valuation Report on the date of grant.		
Vesting Details			
a) Vesting Portion	100% of options granted on June 26, 2013 vested on September 30, 2014		
b) Vesting period from date of grant	Vests over the period of 2 years (Part of the year is rounded off to the nearest full year)		
c) Basis of vesting	Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period		
Options vested (including options Exercised)	Nil	Nil	Nil
Options Exercised	13,000	Nil	9,000
The total number of shares arising as a result of exercise of options (including options that have been exercised)	13,000	Nil	9,000
Options forfeited/lapsed/cancelled	Nil	Nil	Nil
Variation of terms of options	Nil		
Money realized by exercise of options (₹)	32,448,000	Nil	22,464,000
Total number of options in force	9,000	9,000	Nil
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard i.e. Accounting Standard (AS) 20	Fully diluted EPS has been disclosed at Company level. For details, refer Note 1 below.		
Method of Accounting followed for stock options granted to employees	Intrinsic value method of accounting has been followed for stock options granted to employees.		
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Details have been disclosed at Company level. Refer Note 1 below.		
Impact on profits of the Company (₹ thousands)			
Basic EPS (₹)			
Diluted EPS (₹)			
Weighted average exercise price of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.

Exercise price is greater than market price on the date of grant			
Exercise price is less than market price on the date of grant			
Weighted average fair value of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Exercise price is greater than market price on the date of grant			
Exercise price is less than market price on the date of grant			
A description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely,	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Risk free interest rate	NA	NA	NA
Expected life	NA	NA	NA
Expected volatility	NA	NA	NA
Expected dividends	NA	NA	NA
Price of underlying share in the market at the time of grant of option (₹)	NA	NA	NA
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Other than the employees listed in Note 2 below, the Company is not aware of the intention of any holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months of listing. However, please note that the intention of such employees may not fructify.		
Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOS Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Number of equity shares intended to be sold by such employees within three months from the date of listing has been disclosed in Note 2 below.		

Employee wise details of options granted to

(i) Senior Managerial Personnel

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
1.	Piyush Surana	Chief Financial Officer	15,000	15,000	-

(ii) Any employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
1.	Piyush Surana	Chief Financial Officer	15,000	15,000	-
2.	Chirag Dagli	Senior Equity Analyst	7,000	7,000	-

(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
	Nil				

Note: Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc. (individually referred to as 'corporate action'), the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination & Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and its exercise price. The effect of the said Corporate Actions has been considered for the number of options in force / no. of options outstanding and its exercise price.

(g) ESOS 2012 Series II:

Particulars	Details for the financial year ended March 31,		
	2016	2017	2018
Options granted	Nil	Nil	Nil
Pricing Formula	The options were granted at exercise price equal to fair market value per Equity Share as per the Valuation Report on the date of grant.		
Vesting Details			
a) Vesting Portion	50% of options granted on September 14, 2012 vested on September 30, 2014 and the remaining 50% of options granted vested on September 30, 2015		
b) Vesting period from date of grant	Vests over the period of 3 to 4 years (Part of the year is rounded off to the nearest full year)		
c) Basis of vesting	Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period		
Options vested (including options Exercised)	45,000	Nil	Nil
Options Exercised	85,000	Nil	Nil
The total number of shares arising as a result of exercise of options (including options that have been exercised)	85,000	Nil	Nil
Options forfeited/lapsed/cancelled	Nil	Nil	5,000**
Variation of terms of options	Nil		
Money realized by exercise of options (₹)	180,965,000	Nil	Nil
Total number of options in force	Nil	Nil	Nil
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard i.e. Accounting Standard (AS) 20	Fully diluted EPS has been disclosed at Company level. For details, refer Note 1 below		
Method of Accounting followed for stock options granted to employees	Intrinsic value method of accounting has been followed for stock options granted to employees.		
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference	Details have been disclosed at Company level. Refer Note 1 below.		

of the fair value of stock options over the intrinsic value of the stock options)			
Impact on profits of the Company (₹ thousands)			
Basic EPS (₹)			
Diluted EPS (₹)			
Weighted average exercise price of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Exercise price is greater than market price on the date of grant			
Exercise price is less than market price on the date of grant			
Weighted average fair value of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Exercise price is greater than market price on the date of grant			
Exercise price is less than market price on the date of grant			
A description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely,	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Risk free interest rate	NA	NA	NA
Expected life	NA	NA	NA
Expected volatility	NA	NA	NA
Expected dividends	NA	NA	NA
Price of underlying share in the market at the time of grant of option (₹)	NA	NA	NA
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Nil		
Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOS Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil		

Employee wise details of options granted to

(i) Senior Managerial Personnel

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
Nil					

(ii) Any employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
1.	Vipul Roongta	Senior Portfolio Manager - Real Estate	40,000	40,000	-
2.	Gaurav Arya	Assistant Vice President - Real Estate	20,000	20,000	-
3.	Abhay Goyal	Assistant Vice President - Real Estate	14,000	14,000	-
4.	Kunal Wadhwani	Senior Manager - Real Estate	11,000	11,000	-
5.	Ketki Gandhi	Assistant Vice President - Legal	5,000#	-	-

#5000 options granted to Ketki Gandhi lapsed during financial year 2014 – 2015.

(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
	Nil				

Note:Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc. (individually referred to as 'corporate action'), the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination & Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and its exercise price. The effect of the said Corporate Actions has been considered for the number of options in force / no. of options outstanding and its exercise price.

*** the Nomination & Remuneration Committee of the Company at its meeting held on January 17, 2018 has approved cancellation of all lapsed Employee Stock Options which were available for fresh grant under this ESOS.*

(h) ESOS 2012 Series I:

Particulars	Details for the financial year ended March 31,		
	2016	2017	2018
Options granted	Nil	Nil	Nil
Pricing Formula	The options were granted at exercise price equal to fair market value per Equity Share as per the Valuation Report on the date of grant.		
Vesting Details			
a) Vesting Portion	100% of options granted on September 14, 2012 vested on September 30, 2013		
b) Vesting period from date of grant	Vests over the period of 2 years (Part of the year is rounded off to the nearest full year)		
c) Basis of vesting	Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period		
Options vested (including options Exercised)	Nil	Nil	Nil
Options Exercised	559,500	Nil	164,500
The total number of shares arising as a result of exercise of options (including options that have been exercised)	559,500	Nil	164,500
Options forfeited/lapsed/cancelled	Nil	2,000	10,000 **
Variation of terms of options	Nil		
Money realized by exercise of options (₹)	1,191,175,500	Nil	350,220,500

Total number of options in force	166,500	164,500	Nil
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard i.e. Accounting Standard (AS) 20	Fully diluted EPS has been disclosed at Company level. For details, refer Note 1 below.		
Method of Accounting followed for stock options granted to employees	Intrinsic value method of accounting has been followed for stock options granted to employees		
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Details have been disclosed at Company level. Refer Note 1 below		
Impact on profits of the Company (₹ thousands)			
Basic EPS (₹)			
Diluted EPS (₹)			
Weighted average exercise price of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Exercise price is greater than market price on the date of grant			
Exercise price is less than market price on the date of grant			
Weighted average fair value of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Exercise price is greater than market price on the date of grant			
Exercise price is less than market price on the date of grant			
A description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely,	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Risk free interest rate	NA	NA	NA
Expected life	NA	NA	NA
Expected volatility	NA	NA	NA
Expected dividends	NA	NA	NA
Price of underlying share in the market at the time of grant of option (₹)	NA	NA	NA
Intention of the holders of Equity Shares allotted on exercise of	Other than the employees listed in Note 2 below, the Company is not aware of the intention of any holders of Equity Shares allotted on exercise of options to sell their Equity Shares		

options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	within three months of listing. However, please note that the intention of such employees may not fructify.
Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOS Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Number of equity shares intended to be sold by such employees within three months from the date of listing has been disclosed in Note 2 below.

Employee wise details of options granted to

(i) Senior Managerial Personnel

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
1.	Milind Barve	Managing Director	125,000	125,000	-
2.	Prashant Jain	Chief Investment Officer	100,000	100,000	-
3.	Kiran Kaushik	Head - Sales and Distribution	23,000	23,000	-
4.	V Suresh Babu	Head - Operations	20,000	20,000	-
5.	John Mathew	Head - Client Services	20,000	20,000	-
6.	Yezdi Khariwala	Chief Compliance Officer	20,000	20,000	-
7.	Alok Sheopurkar	Head - Human Resources	20,000	20,000	-
8.	Sylvia Furtado	Company Secretary	15,000	15,000	-

(ii) Any employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
1.	Milind Barve	Managing Director	125,000	125,000	-
2.	Prashant Jain	Chief Investment Officer	100,000	100,000	-

(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
	Nil				

Note: Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc. (individually referred to as 'corporate action'), the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination & Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and its exercise price. The effect of the said Corporate Actions has been considered for the number of options in force / no. of options outstanding and its exercise price.

*** the Nomination & Remuneration Committee of the Company at its meeting held on January 17, 2018 has approved cancellation of all lapsed Employee Stock Options which were available for fresh grant under this ESOS.*

(i) ESOS 2009 Series I:

Particulars	Details for the financial year ended March 31,		
	2016	**2017**	**2018**
Options granted	Nil	Nil	Nil
Pricing Formula	The options were granted at exercise price equal to fair market value per Equity Share as per the Valuation Report on the date of grant.		
Vesting Details			
a) Vesting Portion	50% of options granted on August 25, 2009 vested on September 30, 2010 and remaining 50% of options granted vested on September 30, 2011.		
b) Vesting period from date of grant	Vests over the period of 2 to 3 years (Part of the year is rounded off to the nearest full year)		
c) Basis of vesting	Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period.		
Options vested (including options Exercised)	Nil	Nil	Nil
Options Exercised	5,000	Nil	Nil
The total number of shares arising as a result of exercise of options (including options that have been exercised)	5,000	Nil	Nil
Options forfeited/lapsed/cancelled	Nil	Nil	Nil
Variation of terms of options	Nil		
Money realized by exercise of options (₹)	2,635,000	Nil	Nil
Total number of options in force	Nil	Nil	Nil
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard i.e. Accounting Standard (AS) 20	Fully diluted EPS has been disclosed at Company level. For details, refer Note 1 below		
Method of Accounting followed for stock options granted to employees	Intrinsic value method of accounting has been followed for stock options granted to employees		
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	Details have been disclosed at Company level. Refer Note 1 below		
Impact on profits of the Company (₹ thousands)			
Basic EPS (₹)			
Diluted EPS (₹)			
Weighted average exercise price of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Exercise price is greater than market price on the date of grant			

Exercise price is less than market price on the date of grant			
Weighted average fair value of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Exercise price is greater than market price on the date of grant			
Exercise price is less than market price on the date of grant			
A description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely,	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Risk free interest rate	NA	NA	NA
Expected life	NA	NA	NA
Expected volatility	NA	NA	NA
Expected dividends	NA	NA	NA
Price of underlying share in the market at the time of grant of option (₹)	NA	NA	NA
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Other than the employees listed in Note 2 below, the Company is not aware of the intention of any holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months of listing. However, please note that the intention of such employees may not fructify.		
Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOS Scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Number of equity shares intended to be sold by such employees within three months from the date of listing has been disclosed in Note 2 below.		

Employee wise details of options granted to

(i) Senior Managerial Personnel

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
Nil					

(ii) Any employee[#] who receives a grant in any one year of options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
1.	Deepak Parekh	Non-Executive Chairman & Director	40,000	40,000	-
2.	Keki Mistry	Non-Executive Director	30,000	30,000	-
3.	Renu Karnad	Non-Executive Director	30,000	30,000	-

4.	Rajiv Maniar	Senior Vice President and Head - Sales (East & South)	12,000	12,000	-
5.	Vinay Kulkarni	Senior Fund Manager	15,000	15,000	-
6.	Satish Jain	Senior Portfolio Manager - Client Funds	22,000	22,000	-

[#]*The definition of employee as per scheme documents for ESOS 2009 Series I includes a director of the Company.*

(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
Nil					

Note:Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc. (individually referred to as 'corporate action'), the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination & Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and its exercise price. The effect of the said Corporate Actions has been considered for the number of options in force / no. of options outstanding and its exercise price.

(j) ESOS 2008 Series II:

Particulars	Details for the financial year ended March 31,		
	2016	2017	2018
Options granted	Nil	Nil	Nil
Pricing Formula	The options were granted at exercise price equal to fair market value per Equity Share as per the Valuation Report on the date of grant.		
Vesting Details			
a) Vesting Portion	50% of options granted on March 10, 2008 vested on September 30, 2010 and remaining 50% of options granted vested on September 30, 2011		
b) Vesting period from date of grant	Vests over the period of 3 to 4 years (Part of the year is rounded off to the nearest full year)		
c) Basis of vesting	Subject to continued employment with the Company and thus the options would vest on passage of time as per vesting period		
Options vested (including options Exercised)	Nil	Nil	Nil
Options Exercised	46,300	2,700	Nil
The total number of shares arising as a result of exercise of options (including options that have been exercised)	46,300	2,700	Nil
Options forfeited/lapsed/cancelled	Nil	Nil	101,000 **
Variation of terms of options	Nil		
Money realized by exercise of options (₹)	24,400,100	1,422,900	Nil
Total number of options in force	2,700	Nil	Nil
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard i.e. Accounting Standard (AS) 20	Fully diluted EPS has been disclosed at Company level. For details, refer Note 1 below.		
Method of Accounting followed for stock options granted to employees	Intrinsic value method of accounting has been followed for stock options granted to employees		
Difference, if any, between employee compensation cost calculated using the intrinsic value	Details have been disclosed at Company level. Refer Note 1 below		

of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)			
Impact on profits of the Company (₹ thousands)			
Basic EPS (₹)			
Diluted EPS (₹)			
Weighted average exercise price of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Exercise price is greater than market price on the date of grant			
Exercise price is less than market price on the date of grant			
Weighted average fair value of Options granted during the year:			
Exercise price equals market price on the date of grant	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Exercise price is greater than market price on the date of grant			
Exercise price is less than market price on the date of grant			
A description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely,	No Options were granted during the year.	No Options were granted during the year.	No Options were granted during the year.
Risk free interest rate	NA	NA	NA
Expected life	NA	NA	NA
Expected volatility	NA	NA	NA
Expected dividends	NA	NA	NA
Price of underlying share in the market at the time of grant of option (₹)	NA	NA	NA
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Other than the employees listed in Note 2 below, the Company is not aware of the intention of any holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months of listing. However, please note that the intention of such employees may not fructify.		
Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares by directors, senior management personnel and employees having Equity Shares arising out of the ESOS Scheme, amounting to more	Number of equity shares intended to be sold by such employees within three months from the date of listing has been disclosed in Note 2 below.		

than 1% of the issued capital (excluding outstanding warrants and conversions)	

Employee wise details of options granted to:

(i) Senior Managerial Personnel

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
1.	Kiran Kaushik	Head – Sales and Distribution	8,000	8,000	-
2.	V Suresh Babu	Head - Operations	6,000	6,000	-
3.	John Mathew	Head - Client Services	6,000	6,000	-
4.	Yezdi Khariwala	Chief Compliance Officer	6,000	6,000	-
5.	Alok Sheopurkar	Head - Human Resources	18,000	18,000	-
6.	Sylvia Furtado	Company Secretary	10,000	10,000	-

(ii) Any employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
Nil					

(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant

Sr. No.	Name of Employee	Designation	No. of Options Granted	No. of Options Exercised	No. of Options Outstanding
Nil					

Note: *Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc. (individually referred to as 'corporate action'), the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination & Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and its exercise price. The effect of the said Corporate Actions has been considered for the number of options in force / no. of options outstanding and its exercise price.*

*** the Nomination & Remuneration Committee of the Company at its meeting held on January 17, 2018 has approved cancellation of all lapsed Employee Stock Options which were available for fresh grant under this ESOS,*

(k) ESOS 2008 Series I

The Nomination & Remuneration Committee of the Company at its meeting held on January 17, 2018 has approved cancellation of 32,000 lapsed Employee Stock Options which were available for fresh grant under this scheme.

Note 1:

i. Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard i.e. Accounting Standard (AS) 20

Particulars	Details for the financial year ended March 31,		
	2016*	2017*	2018
Fully diluted EPS (₹)	23.56	27.05	34.96

** The fully diluted EPS pursuant to the issue of Equity Shares on exercise of options for the financial years ended March 31, 2016 and March 31, 2017 has been adjusted to reflect the corporate action i.e. bonus and split of Equity Shares.*

ii. The Company follows the intrinsic value method of accounting for stock options granted to employees. Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on the profits of our Company and on the EPS arising due to difference in accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options) are as follows:

Particulars	Details for the financial year ended March 31,		
	2016	2017	2018
Impact on profits of the Company (₹ millions)	98.65	316.57	63.38
Basic EPS (₹)	23.15**	25.76**	34.72
Diluted EPS (₹)	23.07**	25.50**	34.66

*** The basic EPS and the diluted EPS for the financial years ended March 31, 2016 and March 31, 2017 has been adjusted to reflect the corporate action i.e. bonus and split of Equity Shares.*

Note 2:

a) Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares:

Our employees intend to sell up to 33,34,000 Equity Shares, held by them on account exercise of options under the respective ESOS Schemes, within three months after the listing of Equity Shares pursuant to the Offer.

b) Intention to sell Equity Shares arising out of the ESOS Scheme within three months after the listing of Equity Shares by Directors, senior management personnel and employees holding Equity Shares arising out of the respective ESOS Schemes, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions), as provided below:

Sr. No.	Name of the employee	Designation	Total number of equity shares issued under all ESOS Schemes*	Number of shares intended to sell within 3 months of listing*
1	V Suresh Babu	Head – Operations	220,000	50,000
2	Piyush Surana	Chief Financial Officer	160,000	40,000
3	John Mathew	Head - Client Services	176,000	45,000
4	Yezdi Khariwala	Chief Compliance Officer	304,000	304,000
5	Sylvia Furtado	Company Secretary	120,000	70,000
6	Alok Sheopurkar	Head - Human Resources	160,000	40,000

**Adjusted on account of corporate actions viz. bonus issue and sub-division of Equity Shares pursuant to Shareholders' resolutions dated February 6, 2018. Bonus shares were allotted on February 7, 2018 and the record date for sub-division of Equity Shares was February 13, 2018.*

10. Neither our Company nor our Directors or the BRLMs have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

11. As on the date of filing of this Prospectus, none of the BRLMs or their respective associates, hold any Equity Shares in our Company.

12. Our Company has not issued any Equity Shares out of revaluation reserves.

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

14. Except for the stock options granted under the ESOS Schemes to employees, as defined under the ICDR Regulations, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares, or any other right which would entitle any person any option to receive Equity Shares in our Company as on the date of this Prospectus.

15. Except for a preferential allotment that the Company has undertaken of 1,433,600 Equity Shares aggregating to ₹1.51 billion, prior to registering this Prospectus with the RoC, and any issue of Equity Shares pursuant to exercise of stock options granted under the ESOS Schemes, there has not been and will not be any further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

16. Except as disclosed in "*-History of Build up, Contribution and Lock-in of Promoters' Shareholding*" on page 84 and *'-Employee Stock Option Schemes'* on page 92 of this Prospectus, neither our Promoters, nor any of the other members of our Promoter Group, directors of our Promoters or our Directors, or their immediate relatives have purchased or sold any securities of our Company, during a period of six months preceding the date of the Draft Red Herring Prospectus with SEBI and until the date of this Prospectus.

17. During the period of six months immediately preceding the date of the Draft Red Herring Prospectus and until the date of this Prospectus, except for any financing arrangements that have been/may be provided by one of our Promoters, HDFC, in the ordinary course of its business, no financing arrangements existed whereby any of our Promoters, members of our Promoter Group, directors of our Promoters or our Directors and their relatives may have financed the purchase of securities of our Company by any other person.

18. In terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the ICDR Regulations, this is an Offer for at least 10% of the post-Offer capital. The Offer is being made through the Book Building Process, in reliance on Regulation 26(1) of the ICDR Regulations, wherein not more than 50% of the Net Offer was made available for allocation on a proportionate basis to QIBs. Provided that our Company and the Promoter Selling Shareholders in consultation with the BRLMs, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis out of which one third was reserved for domestic Mutual Funds only subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (other than Anchor Investor Portion) was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (other than Anchor Investor Portion) was available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer was available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Net Offer was available for allocation, in accordance with the ICDR Regulations, to Retail Individual Investors, subject to valid Bids being received at or above the Offer Price.

19. Except for any issue of Equity Shares pursuant to exercise of stock options granted under the ESOS Schemes, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

20. Our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or under Section 230 to Section 240 of the Companies Act, 2013.

21. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category including the HDFC AMC Employee Reservation Portion, HDFC Employee Reservation Portion and HDFC Shareholders Reservation Portion, except the QIB Portion, would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and Promoter Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. The unsubscribed portion if any, in the HDFC AMC Employee Reservation Portion, HDFC Employee Reservation Portion and HDFC Shareholders Reservation Portion, shall first be adjusted amongst these categories and any unsubscribed portion thereafter in aggregate shall be added back to the Net Offer.

22. The Equity Shares Allotted pursuant to the Offer shall be fully paid-up at the time of Allotment.

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

24. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the members of the Promoter Group during the period between the date of registering this Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

25. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made by us or our Promoters to the persons who are Allotted Equity Shares pursuant to the Offer.

26. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

27. As of the date of this Prospectus, except for the allotments of Equity Shares pursuant to ESOS Schemes to employees of our Company and the preferential allotment that the Company has undertaken of 1,433,600 Equity Shares aggregating to ₹1.51 billion, prior to registering this Prospectus with the RoC, as set out in "*Capital Structure - Notes to Capital Structure – Share Capital History*" on page 80 of this Prospectus, there have been no Equity Shares issued by our Company at a price that may be lower than the Offer Price, during the last one year.

28. Our Company shall comply with such disclosures and accounting norms as specified by SEBI from time to time.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and to carry out the sale of Equity Shares offered for sale by the Promoter Selling Shareholders. Further, our Company expects that the listing of its Equity Shares will enhance our visibility and brand image, and will provide a public market for Equity Shares in India. Our Company will not receive any proceeds from the Offer and all the proceeds from the Offer will be received by the Promoter Selling Shareholders, in proportion to the Equity Shares offered by the respective Promoter Selling Shareholders as part of the Offer. For details of Equity Shares offered by each Promoter Selling Shareholder, please see "*Other Regulatory and Statutory Disclosures*" on page 376 of this Prospectus.

Offer Related Expenses

The total Offer related expenses are estimated to be approximately ₹ 615.42 million. All expenses with respect to the Offer will be borne by the Promoter Selling Shareholders in the manner mutually agreed upon amongst them. Payments, if any, made by our Company in relation to the Offer, shall be on behalf of the Promoter Selling Shareholders and such payments will be reimbursed by the Promoter Selling Shareholders to our Company in the manner mutually agreed upon amongst them in the Inter-se Agreement. The following table sets forth details of the break-up for the Offer expenses:

Activity	Estimated Expense (₹ million)*	As a % of total estimated Offer expense	As a % of total Offer size
Fees payable to BRLMs	200.00	32.50	0.71
Selling commission and processing fees for SCSBs(1) (2)	38.32	6.23	0.14
Selling commission, brokerage, and bidding charges for the Syndicate Members, Registered Brokers, RTAs and CDPs (3) (4)	36.18	5.88	0.13
Fees payable to Registrar to the Offer	27.90	4.53	0.10
Printing and stationary expenses	47.00	7.64	0.17
Advertising and marketing expenses	72.00	11.70	0.26
Others			
• Listing fees	0.07	0.01	0.00
• SEBI and Stock Exchanges processing fees	43.94	7.14	0.16
• Book building fees payable to Stock Exchanges	15.00	2.44	0.05
• Fees payable to Auditors	20.00	3.25	0.07
• Fees payable to legal counsels	60.00	9.75	0.21
• Miscellaneous	55.00	8.94	0.20
Total estimated Offer expenses	**615.42**	**100.00**	**2.20**

**Subject to additional taxes, as applicable.*

1) Selling commission payable to the SCSBs on the portion for Retail Individual Investors, the portion for Non-Institutional Investors, HDFC AMC Employee Reservation Portion, HDFC Employee Reservation Portion and HDFC Shareholders Reservation Portion which are directly procured by the SCSBs, would be as follows:

Portion for Retail Individual Investors	*0.30% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors	*0.15% of the Amount Allotted* (plus applicable taxes)*
HDFC AMC Employee Reservation Portion	*0.20% of the Amount Allotted* (plus applicable taxes)*
HDFC Employee Reservation Portion	*0.20% of the Amount Allotted* (plus applicable taxes)*
HDFC Shareholders Reservation Portion	*0.20% of the Amount Allotted* (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

No additional processing/uploading charges shall be payable by the Company and the Promoter Selling Shareholders to the SCSBs on the applications directly procured by them.

2) Processing fees payable to the SCSBs on the portion for Retail Individual Bidders, the portion for Non-Institutional Investors, HDFC AMC Employee Reservation Portion, HDFC Employee Reservation Portion and HDFC Shareholders Reservation Portion which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking would be as follows:

*Portion for Retail Individual Bidders**	*₹ 10 per application procured (plus applicable taxes)*
*Portion for Non-Institutional Investors **	*₹ 10 per application procured (plus applicable taxes)*
*HDFC AMC Employee Reservation Portion**	*₹ 10 per application procured (plus applicable taxes)*
*HDFC Employee Reservation Portion**	*₹ 10 per application procured (plus applicable taxes)*
*HDFC Shareholders Reservation Portion**	*₹ 10 per application procured (plus applicable taxes)*

*For each valid application.

3) Selling commission on the portion for Retail Individual Bidders, the portion for Non-Institutional Investors, HDFC AMC Employee Reservation Portion, HDFC Employee Reservation Portion and HDFC Shareholders Reservation Portion which are procured by Syndicate Members (including their sub Syndicate Members) would be as follows:

Portion for Retail Individual Investors	*0.30% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Investors	*0.15% of the Amount Allotted* (plus applicable taxes)*
HDFC AMC Employee Reservation Portion	*0.20% of the Amount Allotted* (plus applicable taxes)*
HDFC Employee Reservation Portion	*0.20% of the Amount Allotted* (plus applicable taxes)*
HDFC Shareholders Reservation Portion	*0.20% of the Amount Allotted* (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*
Bidding Charges: ₹ 10 (plus applicable taxes) per valid application bid by the Syndicate Members (including their Sub Syndicate Members).

4) Selling commission payable to the Registered Brokers, RTAs and CDPs on the portion for Retail Individual Bidders, the portion for Non-Institutional Investors, HDFC AMC Employee Reservation Portion, HDFC Employee Reservation Portion and HDFC Shareholders Reservation Portion which are directly procured by the Registered Broker or RTAs or CDPs or submitted to SCSB for processing, would be as follows:

Portion for Retail Individual Investors	*₹ 10 per valid Bid cum Application Form (plus applicable taxes)*
Portion for Non-Institutional Investors	*₹ 10 per valid Bid cum Application Form (plus applicable taxes)*
HDFC AMC Employee Reservation Portion	*₹ 10 per valid Bid cum Application Form (plus applicable taxes)*
HDFC Employee Reservation Portion	*₹ 10 per valid Bid cum Application Form (plus applicable taxes)*
HDFC Shareholders Reservation Portion	*₹ 10 per valid Bid cum Application Form (plus applicable taxes)*

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹5 each and the Offer Price is 220 times the face value. Investors should also refer to "*Our Business", "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 173, 19, 262 and 333 of this Prospectus, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

a. Consistent market leadership position in the Indian mutual fund industry;
b. Trusted brand and strong parentage;
c. Strong investment performance supported by comprehensive investment philosophy and risk management;
d. Superior and diversified product mix distributed through a multi-channel distribution network;
e. Focus on individual customers and customer centric approach;
f. Consistent profitable growth; and
g. Experienced and stable management and investment teams.

For further details, see "*Our Business – Our Competitive Strengths*" on page 177 of this Prospectus.

Quantitative factors

Our Company has undertaken a preferential allotment of 1,433,600 Equity Shares aggregating to ₹ 1.51 billion prior to registering this Prospectus with the RoC.

The information presented below relating to our Company is based on the Restated Financial Information. For further details, see "*Financial Information*" on page 262 of this Prospectus.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

I. Basic and diluted earnings per share ("EPS")

	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	35.02	34.96	3
March 31, 2017	27.33	27.05	2
March 31, 2016	23.64	23.56	1
Weighted Average	30.56	30.42	

Basic earnings per share (₹) = Net profit or loss for the year attributable to equity shareholders / weighted average number of equity shares outstanding during the year.

Diluted earnings per share (₹) = Net profit or loss for the year attributable to equity shareholders / weighted average number of shares outstanding during the year adjusted for the effects of all dilutive potential equity shares.

II. Price/Earning ("P/E") ratio in relation to Offer Price of ₹1,100 per Equity Share:

Particulars	P/E (no. of times)
Based on basic EPS for the year ended March 31, 2018	31.41
Based on diluted EPS for the year ended March 31, 2018	31.46

Industry P/E Ratio*
Average: 26.01
Highest: 26.01
Lowest: 26.01

*Source: The average, highest and lowest Industry P/E shown above is based on the industry peer set provided below under "*Comparison with listed industry peers*". The industry composite has been calculated as the arithmetic average P/E of the Industry peer set provided below, based on consolidated EPS numbers. For further details, see "*Basis for Offer Price - Comparison with listed industry peers*" hereunder.

III. Average Return on Net Worth ("RoNW")

As per Restated Financial Information:

Fiscal Ended	RoNW (%)	Weight
March 31, 2018	33.41	3
March 31, 2017	38.67	2
March 31, 2016	41.51	1
Weighted Average	36.51	

Return on net worth (%) = Profit/(loss) after tax, as restated / restated net worth at the end of the year.

IV. Minimum return on total net worth after the Offer, required for maintaining pre-Offer EPS as at March 31, 2018:

There will be no change in the Net Worth post-Offer, as the Offer is by way of an offer for sale by the Promoter Selling Shareholders.

V. Net asset value per Equity Share (face value of ₹5 each)

As per Restated Financial Information:

Fiscal/Period Ended	Net Asset Value per Equity Share (₹)
March 31, 2018	102.58
March 31, 2017	70.68
March 31, 2016	57.19

Net asset value per Equity Share = Net worth at the end of the year / total number of Equity Shares outstanding at the end of year.

VI. Comparison with listed industry peers

Name of Company	Unconsolidated / Consolidated	Face Value (INR per share)	EPS (₹ per Share)		NAV (INR per share)	P/E[1]	RoNW (%)
			Basic	Diluted			
Reliance Nippon Life	Consolidated	10	8.74	8.73	37.37	26.01	22.82

Asset Management Limited							

Source: Audited consolidated financial statements as on March 31, 2018 filed with the Stock Exchanges

(1) P/E is calculated as closing market price on NSE as on July 12, 2018/ Basic EPS for the year ended March 31, 2018 sourced from the audited consolidated financial statements as on March 31, 2018 filed with the Stock Exchanges

VII. The Offer price is 220 times of the face value of the Equity Shares.

The Offer Price of ₹ 1,100 has been determined by our Company and the Promoter Selling Shareholders in consultation with the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Information*" on pages 19, 173, 333 and 262 of this Prospectus, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

Statement of possible income-tax benefits available to HDFC Asset Management Company Limited and its shareholders

The Board of Directors
HDFC Asset Management Company Limited
HDFC House, 2nd floor
H.T. Parekh Marg
165-166, Backbay Reclamation
Churchgate
Mumbai 400 020

13 July 2018

Dear Sirs / Madam

Subject: Statement of possible income-tax benefits ('the Statement') available to HDFC Asset Management Company Limited ('the Company') and its shareholders prepared in accordance with the requirement in Schedule VIII – Clause (VII) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended ('the Regulations')

1. We hereby report that the enclosed Statement prepared by the Company, states the possible income-tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), read with the Finance Act, 2018 presently in force in India[1].

2. The possible tax benefits mentioned in the enclosed Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant statutory provisions of the Act. Hence, the ability of the Company or its shareholders to derive the income-tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives faced in the future, the Company or its shareholders may or may not choose to fulfil.

3. The benefits discussed in the enclosed Statement are not exhaustive. Further, the preparation of the Statement and its contents is the responsibility of management of the Company. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional income-tax advice. In view of the individual nature of the income-tax consequences and changing income-tax provisions, each investor is advised to consult with his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering consisting of an offer for sale of equity shares by certain shareholders of the Company ('the Proposed Offer'). Neither are we suggesting nor are we advising the investor to invest money based on this Statement.

[1] As applicable, based on the Income-tax Act, 1961 amended by the Finance Act, 2018, being the law in force at the time of the Red Herring Prospectus

4. We have conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes’ (the ‘Guidance Note’) issued by the Institute of Chartered Accountants of India (‘ICAI’). The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.

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

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

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

   ii) the conditions prescribed for availing the possible tax benefits have been/would be met.

7. 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.

8. Our views expressed herein are based on the facts and assumptions indicated to us. 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 the income-tax law and their interpretation, which are subject to change from time to time. We do not assume responsibility to update this Statement consequent to such changes. We shall not be liable to the Company for 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.

9. The enclosed Statement is intended solely for your information and for inclusion in the Red Herring Prospectus and the Prospectus and any other material in connection with the Proposed Offer and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No.: 101248W/ W-100022

Akeel Master
Partner
Membership No: 046768

Mumbai
13 July 2018

Enclosure: as above

ANNEXURE TO THE STATEMENT OF POSSIBLE INCOME-TAX BENEFITS/CONSEQUENCES IN CASE OF COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE INCOME-TAX LAW IN INDIA

We hereby report that the enclosed Statement of possible tax benefits available to the Company and its shareholders under the applicable tax laws in India (the "Statement") is in connection with the possible tax benefits available to (i) the Company and, (ii) the shareholders of the Company, under the Income-tax Act, 1961, ('the Act') read with the Finance Act, 2018 presently in force in India[1], which are applicable from 1 April, 2018. The benefits/ consequences as applicable and relevant for each category (Company and shareholder) are grouped under two separate sections i.e. those applicable to the Company and the shareholders respectively. To the extent that certain provisions may be common to both categories, they may be repetitive.

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. The tax rates specified in statement have to be read with note (ii) which specifies the applicable rates of surcharge and cess.

Several of these benefits are dependent on the Company or its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfill.

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

In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither are we suggesting nor are we advising the investor to invest money based on this Statement.

[1] As applicable, based on the Income-tax Act, 1961 amended by the Finance Act, 2018, being the law in force at the time of the Red Herring Prospectus

UNDER THE ACT

I. Benefits/consequences in case of the Company:

a) Dividends paid

- The Company is required to pay Dividend Distribution Tax (DDT) at the rate of 15 percent (before levy of appropriate surcharge and education cess) upon distribution of dividend under section 115-O of the Act. The tax is required to be calculated at the rate of 15 percent of the gross payout (that is, dividend and tax). As such the effective tax rate works out to 17.65 percent of the net dividend payout.

b) Certain receipts

- Income received from units of a scheme of a SEBI registered mutual fund is tax exempt under section 10(35) for the unit holder.

- As per the provisions of section 10(34) of the Act, dividend received from a domestic company (on which DDT is paid by the domestic company in accordance with section 115-O of the Act), is exempt from tax for the shareholder.

- Section 14A of the Act restricts claim for deduction of expenses incurred in relation to earning of exempt income. Thus, any expenditure incurred to earn tax exempt income would not be a tax deductible expenditure.

- Income by way of interest payable by public sector companies in respect of bonds or debentures specified by the Central Government is exempt from tax under section 10(15)(iv)(h) of the Act

c) Capital gains

- Capital gains arise on disposal of, inter-alia, securities that are held as capital assets. Capital gains arising from the transfer of long-term capital asset are characterized as long-term capital gains ('LTCG'). Conversely, capital gains arising from transfer of short-term capital asset are treated as short-term capital gains ('STCG').

  Period of Holding

- Capital assets are categorized into short-term capital asset and long-term capital asset based on the period of holding of such asset which are as follows:

(i) Listed securities (including shares) and units of an equity oriented fund – these are considered long term capital assets if held for more than 12 months; otherwise these would be considered short term capital assets.

(ii) Units of non-equity oriented fund and unlisted securities (other than shares)– these are considered long term capital assets if held for more than 36 months; otherwise these would be considered short term capital assets.

(iii) Unlisted shares – these would be considered as long term capital assets if held for more than 24 months; otherwise these would be considered short term capital assets

Tax Rates

- *Listed securities (including shares) and units of an equity oriented fund*

  Where STT is payable

  Under the law presently in force, the LTCG arising on transfer of these securities is exempt, provided such transfer is chargeable to securities transaction tax ('STT'), so also their acquisition, unless the securities have been acquired through a mode, notified as not requiring to fulfil the pre-condition of chargeability to STT.

  As per Finance Act, 2018, LTCG exceeding one lakh rupees to the extent arising on transfer of these securities is taxable at 10 percent, provided such transfer is chargeable to STT. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition, unless the securities have been acquired through a mode, to be notified as not requiring to fulfil the pre-condition of chargeability to STT.

  The LTCG arising from the transfer of such securities shall be calculated without indexation (inflation adjustment).

  To provide relief on gains already accrued upto 31 January 2018, suitable adjustment has been proposed for the computation of the cost of acquisition (COA) of securities. The STCG arising on transfer of the above securities are taxable at 15 percent provided STT is chargeable on such transfer.

  Where STT is not payable

  In case of transfer of these securities without charge of STT, the LTCG is taxable at the rate of 20 percent with indexation. Where such LTCG arises from transfer of listed securities (other than units of an equity oriented mutual fund), there may be an option to pay tax at the rate of 20 percent with indexation or 10 percent without indexation, whichever is more beneficial.

  Further, STCG from such transactions is taxable at the general corporate tax rate - currently 30 percent.

- *Units other than equity oriented funds and unlisted securities*

  The LTCG arising on transfer of the above securities is taxable at the rate of 20 percent with indexation. The STCG in such cases is taxable at the general corporate tax rate - currently 30 percent.

Losses under the head "capital gains"

Under section 74 of the Act, short-term capital losses incurred during the year are allowed to be set-off against short-term or long-term capital gains of the said year. Balance losses, if any may be carried forward for eight years for claiming set-off against subsequent years' short-term or long-term capital gains. Long-term capital losses incurred during the year are 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.

Dividend and Bonus Stripping

- Section 94(7) of the Act restricts allowance of losses arising from sale/transfer of securities/unit of mutual fund where these are purchased within three months prior to the record date (relevant for the purpose of receipt of dividend) and such securities are sold within three months or such units are sold within 9 months after such record date. In such cases, the loss (if any) arising from such sale should be ignored to the extent of the amount of dividend or income received/receivable on such securities/units.

- Section 94(8) of the Act restricts allowance of losses arising from sale/transfer of units of mutual fund where these are purchased within three months prior to the record date (relevant for the purpose of receipt of bonus units) and such units are sold within 9 months after such record date. In such cases, the loss (if any) arising from such sale/transfer of the original units should be ignored for the purpose of computing taxable income, and further, the amount of loss so ignored may be regarded as the cost of acquisition of the bonus units held on the date of sale/redemption of the original units.

Other provisions related to capital gains

- Exemption may be claimed from taxation of LTCG or STCG if investments in certain specified securities/assets is made subject to fulfillment of certain conditions.
- Section 54EE of the Act exempts long-term capital gains on transfer of shares 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.
- STT is a tax payable on the value of specified securities (such as shares, certain derivatives or equity oriented mutual fund) transacted on a recognized stock exchange. STT is not allowed as a deduction while computing income from capital gains.

d) <u>Other provisions</u>

- Section 80G of the Act allows specified amount of deduction in case of contribution made to certain specified funds or institutions.
- Section 35 of the Act allows specified deduction in computing business profits, *inter alia*, on account of contributions made to a research association or institution for the purpose of scientific research.
- Provisions of section 56(2)(x) of the Act seek to tax receipt of the sum of money or property (which *inter alia* includes shares and securities) by any person without consideration or for inadequate consideration in excess of Rs. 50,000, unless specifically exempted (e.g. gift from relative).

II. Benefits/consequences in case of the Shareholders - general

a) <u>Dividend income</u>

- Dividend (both interim and final) paid by the Company attracts DDT in the hands of the Company under section 115-O of the Act. It is exempt from tax in the hands of the shareholder.
- However, section 115BBDA of the Act provides that the aggregate of dividends received by specified taxpayers (except domestic company and certain funds, trusts, institutions) in excess of INR 10 lakh is taxable at the rate of 10 percent on a gross basis, and no deduction will be available for any expenditure.

- Section 14A of the Act restricts claim for deduction of expenses incurred in relation to earning of exempt income (here, dividend income).

b) <u>Characterization of gains from transfer of shares</u>

- The characterization of the gains/losses, arising from sale/transfer of shares as business income or capital gains would depend on the nature of holding and various other factors. The Central Board of Direct Taxes (CBDT) has clarified in a circular that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

c) <u>Capital Gains-general</u>

Long term and short term capital gains

- Capital assets are categorized into short-term capital asset and long-term capital asset based on the period of holding of such asset. Equity shares listed on a recognized stock exchange in India held by an assessee for more than 12 months immediately preceding the date of transfer are considered as long-term capital asset whereas if such shares are held for 12 months or less are regarded as short-term capital asset. Capital gains arising from the transfer of long-term capital asset are characterized as LTCG. Capital gains arising from transfer of short-term capital asset are treated as STCG.

Deductions in computing capital gains

- In terms of section 48 of the Act, in order to arrive at the quantum of capital gains, the following amounts would be deductible from the full value of the consideration:
    a) Cost of acquisition of shares; and
    b) Expenditure incurred wholly and exclusively in connection with transfer of shares

Dividend and Bonus Stripping

- Section 94(7) of the Act restricts allowance of losses arising from sale/transfer of securities/unit of mutual fund where these are purchased within three months prior to the record date (relevant for the purpose of receipt of dividend) and such securities are sold within three months or such units are sold within 9 months after such record date. In such cases, the loss (if any) arising from such sale should be ignored to the extent of the amount of dividend or income received/receivable on such securities/units.

- Section 94(8) of the Act restricts allowance of losses arising from sale/transfer of units of mutual fund where these are purchased within three months prior to the record date (relevant for the purpose of receipt of bonus units) and such units are sold within 9 months after such record date. In such cases, the loss (if any) arising from such sale/transfer of the original units should be ignored for the purpose of computing taxable income, and further, the amount of loss so ignored may be regarded as the cost of acquisition of the bonus units held on the date of sale/redemption of the original units.

Exemptions on reinvestment

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

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

Set-off and carry forward of losses

- As per section 74 of the Act, short-term capital losses incurred during the year are allowed to be set-off against short-term or long-term capital gains of the said year. Balance losses, if any may be carried forward for eight years for claiming set-off against subsequent years' short-term or long-term capital gains. Long-term capital losses incurred during the year are 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.

STT

- STT is a tax payable on the value of specified securities (such as shares, certain derivatives or equity oriented mutual fund) transacted on a recognized stock exchange. STT is not allowed as a deduction while computing income from capital gains.

Tax Rates

- The LTCG arising upto 31 March 2018 on transfer of listed shares is exempt provided such transfer is chargeable to STT, as also the acquisition of such shares, if such acquisition is after 1 October 2004.
- As per Finance Act, 2018, LTCG exceeding one lakh rupees to the extent arising on transfer of these securities is taxable at 10 percent, provided such transfer is chargeable to STT. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition, unless the securities have been acquired through a mode, to be notified as not requiring to fulfil the pre-condition of chargeability to STT.

  The LTCG arising from the transfer of such securities shall be calculated without indexation (inflation adjustment).

  To provide grandfathering/ relief on long term gains arising on sale of listed shares that were acquired originally as unlisted shares upto 31 January 2018, an indexation mechanism has been provided.

Under this mechanism, where sale consideration is higher than the "indexed COA"[2], the COA would be substituted with the indexed COA and capital gains will be computed accordingly.

Where sale consideration is higher than the COA but not higher than the indexed COA, the sale consideration is deemed as the COA, such that the gains would be neutralized.

This benefit is available in the following cases:

— equity shares, not listed as on 31 January 2018 but listed on the date of transfer; and
— equity shares listed on the date of transfer but acquired in consideration of shares not listed on 31 January 2018 through tax neutral modes of transfer (e.g. amalgamation, demerger)

- In the context of the exempt LTCG regime upto 31 March 2018, CBDT had notified cases of acquisition of shares (e.g. acquisition under employee stock option or purchase schemes framed under the SEBI (ESOPs and ESPS) Guidelines, 1999; acquisition approved by the Courts, NCLT, SEBI or RBI; acquisition by any non-resident as per FDI guidelines) for which the pre-condition of chargeability to STT would not be applicable and yet the LTCG on transfer of the listed shares would stand exempted. A similar notification is expected to be rolled out in the context of the aforesaid new LTCG regime to be applicable from 1 April 2018.

- The STCG arising on transfer of listed shares are taxable at 15 percent provided STT is chargeable on such transfer.

Minimum Alternative Tax ('MAT')

- MAT may apply where the income-tax payable by a company under the regular tax provisions is less than 18.5 percent of the "book profit" (calculated as per the provisions of section 115JB). In such cases, there would be an obligation to pay MAT at the rate of 18.5 percent of such book profit in lieu of regular income tax. Provisions allow the credit for such MAT against taxes payable in subsequent 15 years. In computing such book profits, exempt LTCG on listed equity shares and units of equity oriented fund will have to be factored in.

Alternative Minimum Tax ('AMT')

- AMT may apply where the income-tax payable by the shareholder (other than companies) under the regular tax provisions is less than 18.5 percent of the "adjusted total income" (being the total income before giving effect to certain deductions to be calculated under section 115JC). In such cases, there would be an obligation to pay AMT at the rate of 18.5 percent of such adjusted total income in lieu of regular income tax. Provisions allow the credit for such AMT against taxes payable in subsequent 15 years.

Buy Back

- Income arising to a shareholder on account of buy back of shares (not being listed on a recognized stock exchange) by a company will be tax exempt under section 10(34A) of the Act. In such cases, the company buying back the shares is liable to pay additional tax at the rate of 20 percent on distributed income being difference between consideration and the amount received by the company for issue of shares.

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[2] Indexed cost of acquisition = cost of acquisition * $\frac{\text{cost inflation index (CII) for FY 2017-18}}{\text{CII of year of acquisition of the asset or FY 2001-02 whichever later}}$

Further provisions applicable to specific category of shareholders are discussed below:

d) Capital gain – Resident shareholders

- In case of transfer of listed shares which are not chargeable to STT, LTCG is taxable at the rate of 20 percent with indexation (inflation adjustment) or 10 percent without indexation whichever is more beneficial. The STCG arising in case of transfer of shares which are not chargeable to STT is taxable at the general corporate tax rate - currently 30 percent for domestic companies and as per slab rate in case of resident shareholders other than domestic companies.

- No withholding tax/ tax deduction at source is applicable on income arising by way of capital gains to a resident shareholder on transfer of shares of an Indian company.

- As per section 80C of the Act, individuals are allowed a deduction (up to a specified limit) against taxable income in respect of investments made in certain specified instruments.

- As per provisions of section 80G of the Act, specified amount of deduction is allowed in case of contribution made to certain specified funds or institutions.

e) Foreign Portfolio Investors (FPI) (earlier known as 'Foreign Institutional Investor')

- As per section 2(14) of the Act, securities held by a FPI registered in accordance with the SEBI Regulations for FPIs would be in the nature of "capital asset". Consequently, the income arising to a FPI from transactions in securities are treated as capital gains.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities would be taxable as follows:

Nature of income	**Rate of tax (percent)**
LTCG on sale of equity shares subject to STT	10*
LTCG on sale of equity shares not subject to STT	10
STCG on sale of equity shares subject to STT	15
STCG on sale of equity shares not subject to STT	30

- *As per Finance Act, 2018, LTCG exceeding one lakh rupees to the extent arising on transfer of these securities is taxable at 10 percent, provided such transfer is chargeable to STT. Further, to avail such concessional rate of tax, STT should also have been paid on acquisition, unless the securities have been acquired through a mode, notified as not requiring to fulfil the pre-condition of chargeability to STT.
- As per section 196D of the Act, any income, by way of capital gains arising to the FPI from transfer of securities is not subject to withholding tax/ tax deduction at source in section 115AD of the Act. Tax, if any, would be required to be discharged by the concerned FPI prior to making the remittance of the proceeds out of India.
- It has been clarified to the effect that provisions of MAT do not apply to FPIs that do not have a permanent establishment or place of business in India.

f) Special provisions for NRIs

A special scheme of taxation applies in case of Non-Resident Indian ('NRI') in respect of income/LTCG from investment in "specified foreign exchange assets" as defined under Chapter XII-A of the Act.

Key provisions of the scheme are as under:

- NRI is defined to mean an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- Key tax implications are:

Section	Provision
115E	LTCG [not covered under section 10(38)] in respect of a specified asset (which *inter alia* includes shares of an Indian company) is taxable at 10 percent
115F	LTCG [not covered under section 10(38)] arising on transfer of a foreign exchange asset is tax exempt if the net consideration from such transfer is reinvested in specified assets or in savings certificates referred to in section 10(4B) of the Act subject to the conditions prescribed therein

- In terms of section 115G of the Act, NRIs are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from investments or long-term capital gains or both, provided adequate tax has been deducted at source from such income.
- Section 115H of the Act specifies that when NRIs become assessable as resident in India, they may furnish a declaration in writing to the Assessing Officer along with their return of income for that year to the effect that the scheme of Chapter XII-A shall continue to apply to them in relation to such investment income derived from the specified assets (which do not include shares in an Indian company) for that year and subsequent assessment years until such assets are transferred or converted into money.
- Section 115-I of the Act allows NRIs to elect not to be governed by the scheme for any assessment year by furnishing their return of income for that year under section 139 of the Act and declaring the choice made in such return and accordingly they would be taxed in that assessment year in accordance with the regular tax provisions.

g) Non-resident shareholders (other than FPIs and NRIs)

- In case of a non-resident shareholder, the first proviso to section 48 of the Act allows the capital gains arising from the transfer of listed equity shares of an Indian Company to be computed by converting the cost of acquisition, expenditure incurred wholly and exclusively in connection with such transfer and the full value of consideration into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains so computed should be reconverted into Indian currency. However, the benefit of indexation (as provided in second proviso to Section 48) is not available to non-resident shareholders.
- As per provisions of section 80G of the Act, specified amount of deduction is allowed in case of contribution made to certain specified funds or institutions.

  It has been clarified that MAT provisions do not apply to a foreign company that does not have a permanent establishment/ place of business.

h) Additional tax benefits/consequences for non-resident shareholders

- *Treaty benefit*

  Section 90(2) of the Act allows non-resident shareholders to opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement ('DTAA') or tax treaty entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial subject to fulfillment of conditions.

Further, any income by way of capital gains payable to non-residents [other than capital gains payable to an FPI] may be subject to withholding tax in accordance with the provisions of the Act or under the relevant DTAA, whichever is beneficial to such non-resident unless such non-resident has obtained a lower withholding tax certificate from the tax authorities.

- *Indirect Transfer Provisions*

Section 9 of the Act seeks to charge tax in various cases where income may be deemed to accrue or arise in India. Included in the list is the case of indirect transfer of capital assets in India through transfer of any share or interest in any company or entity outside India.

In response to concerns raised by stakeholders that the provisions resulted in multiple-taxation, it has been clarified that the indirect transfer provisions shall not apply to investment held by any non-resident, directly or indirectly, in a Foreign Institutional Investor and registered as Category-I or Category-II FPI under the SEBI Act, 1992.

- *PAN/ tax documents*

The withholding tax rates are subject to the recipients of income obtaining and furnishing a permanent account number (PAN) to the payer, in the absence of which the applicable withholding tax rate would be the higher of the applicable rates or 20%, under section 206AA of the Act. The requirement to furnish PAN will not apply if the non-resident shareholder furnishes prescribed documents to the payer.

As per Finance Act, 2018, resident non-individuals entering into financial transactions of an amount aggregating to two lakh and fifty thousand rupees or more in a financial year shall be required to apply for allotment of PAN. Further, the managing director, director, partner, trustee, author, founder, karta, chief executive officer, principal officer or office bearer or any person competent to act on behalf of such entities shall also be required to apply for allotment of PAN.

Benefits available to Investment Funds

- Investment funds being Category I and Category II Alternative Investment Funds (AIF) registered under the SEBI AIF Regulations have been accorded a pass through status under the Act. Accordingly, income of such investment funds other than income chargeable under the head "Profits and gains of business or profession" should be exempt from income tax as per section 10(23FBA).
- However, income (other than income chargeable under the head "Profits and gains of business or profession) of the unit holder out of the investment made in such investment fund is chargeable to income-tax in the same manner as if it were income accruing or arising to, or received by, such unit holder had the investments, made by the Investment Fund, been made directly by him.
- The taxable income of an Investment Fund would be charged at the rate or rates as specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm or at maximum marginal rate in any other case.
- Further, the income accruing or arising to or received by the Investment Fund if not paid or credited to a person (who has made investments in an Investment Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

- There is no specific exemption provided under the Act for the income earned by the Category III AIF. The taxability depends on the status of the Fund. In case the Fund is set-up as a 'Trust', the principles of trust taxation should apply based on the nature of the trust.

Benefits available to Mutual Funds

- In terms of section 10(23D) of the Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under SEBI Act or Mutual Funds authorized by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including all incomes and gains arising from investment in/ transfer of the shares of the Company.

  However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of section 115R of the Act.

- As per section 196 of the Act, no tax is to be deducted from any income payable to a Mutual Fund specified under section 10(23D) of the Act.

Others

General Anti-Avoidance Rule ('GAAR):

- GAAR is a set of anti-tax abuse provisions in the Act that give wide powers to the income-tax authorities in a manner that may override regular tax provisions. GAAR may be invoked in case any arrangements are found to be "impermissible avoidance arrangements". A transaction can be declared as an impermissible avoidance arrangement, if the main purpose of the arrangement is to obtain a tax benefit and which satisfies one of the four below mentioned elements:

- The arrangement creates rights or obligations which are ordinarily not created between parties dealing at arm's-length;
- It results in directly / indirectly misuse or abuse of the Act;
- It lacks commercial substance or is deemed to lack commercial substance in whole or in part; or
- It is entered into or carried out in a manner, which is not normally employed for bona fide purposes.

The provisions of GAAR are applicable with effect from financial year 2017-18 and onwards.

Wealth Tax and Gift tax

- The Finance Act, 2015 has abolished the levy of wealth tax with effect from 1 April 2016.

- Provisions of section 56(2)(x) of the Act seek to tax receipt of the sum of money or the property (which inter alia includes shares and securities) by any person without consideration or for inadequate consideration in excess of Rs. 50,000, unless specifically exempted (e.g. gift from relative).

Notes:

(i) All the above income-tax benefits/consequences are as per the current Indian income-tax law relevant for Assessment Year 2018-19 which corresponds to the financial year ending 31 March 2018 (considering the amendments made by Finance Act, 2017) and key tax amendment proposals included in the Bill. The income-tax law is subject to change from time to time.

(ii) All tax rates stated above would have to be increased by applicable surcharge and cess calculated on tax plus surcharge.

As per the Finance Act, 2018 surcharge is to be levied as under:

(a) In the case of individual or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person, where his income exceeds Rs. fifty lakhs but does not exceed Rs.one crore, a surcharge at 10 percent of tax liability is payable and when such income exceeds Rs. one crore, surcharge at 15 percent of tax is payable.

(b) In case of firms, where income exceeds Rs. one crore, a surcharge at 12 percent of tax is payable.

(c) In case of domestic company, where its income exceeds Rs. one crore but does not exceed Rs. ten crores, a surcharge at the rate of 7 percent of tax liability is payable and when such income exceeds Rs. ten crores, surcharge at 12 percent of tax is payable.

(d) In case of companies other than domestic companies, where the income exceeds Rs. one crore but does not exceed Rs. ten crores, a surcharge of 2 percent of such tax liability is payable and when such income exceeds Rs. ten crores, surcharge at 5 percent of tax is payable.

(e) In case of tax under sections 115-O and 115-R of the Act, surcharge of 12 percent of the tax liability is payable

Effective 1 April 2018, 'Health and Education cess' at the rate of 4 percent on the incometax (including surcharge) is applicable.

(iii) This statement sets out the position as per the Act as amended by the Finance Act, 2018. This position of law and its interpretation is subject to change from time to time. Further, no assurance is given that the revenue authorities/courts will concur with the views expressed herein.

(iv) The above statement covers only certain relevant income-tax benefits/consequences under the Act and does not cover benefits/consequences under any other law.

(v) The stated income-tax benefits/consequences will be available only to the sole/first named holder in case the shares are held by joint holders.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The information in this section is derived from the report "Analysis of the mutual funds industry in India", April 2018, prepared by CRISIL Research (the "**CRISIL Report**") except for other publically available information as cited in this section. We commissioned the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Offer. Neither the Company nor any other person connected with the Offer has verified the information in the CRISIL Report or other publically available information cited in this section. Further, the CRISIL Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends and opinions in the CRISIL Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. CRISIL Research, a division of CRISIL Limited ("**CRISIL**"), has advised that while it has taken due care and caution in preparing the CRISIL Report based on the information obtained by CRISIL Research from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the CRISIL Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CRISIL Report or the data therein. Further, the CRISIL Report is not a recommendation to invest or disinvest in any company covered in the report. CRISIL Research especially states that it has no liability whatsoever to the subscribers, users, transmitters or distributors of the CRISIL Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division or CRISIL Risk and Infrastructure Solutions Ltd ("**CRIS**"), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CRISIL Report are that of CRISIL Research and not of CRISIL's Ratings Division or CRIS. Prospective investors are advised not to unduly rely on the CRISIL Report.*

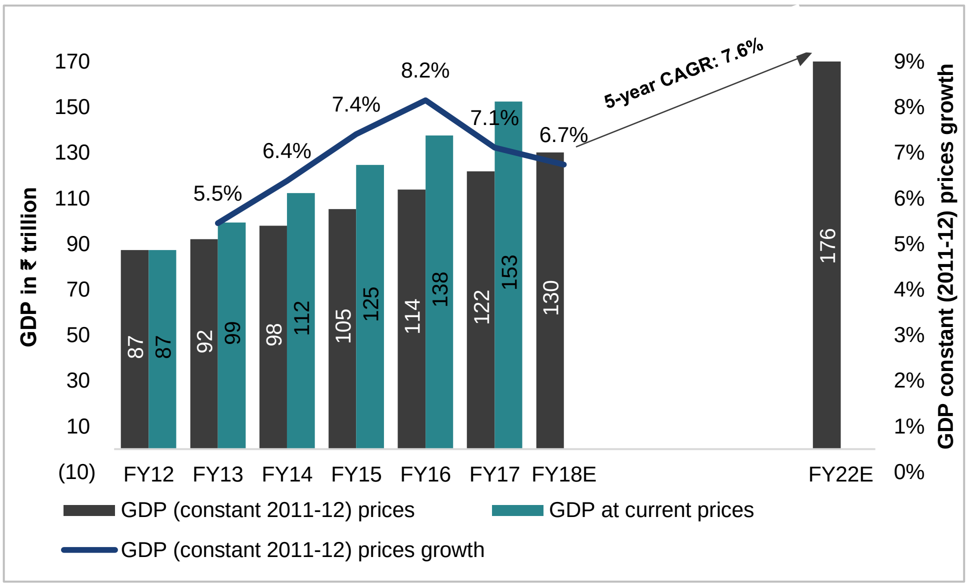
Macroeconomic Overview

Robust GDP growth expected in next five years

The Indian economy grew at a compounded annual growth rate ("**CAGR**") of 6.9% (Gross Domestic Product ("**GDP**") at constant Fiscal 2012 prices) between Fiscals 2012 and 2017, driven by consumption, even as investment – the other growth engine – remained sluggish.

Growth between Fiscals 2012 and 2013 was tepid as income growth was slow, and inflation and interest rates were high, but picked up from Fiscal 2014 with the improvement in industrial activity, lower crude oil prices, fall in inflation, and supportive government policies. However, Fiscal 2017 saw it come off, because of demonetisation, dwindling private investment and slower global growth.

GDP on a steady uptrend



*Source: International Monetary Fund ("**IMF**"), CRISIL Research, Central Statistical Organisation ("**CSO**"); Note: E – Estimates*

CRISIL Research believes the impact of the Goods and Services Tax ("**GST**") on the economy will limit growth for a few more quarters, as corporates adjust to the new tax regime and any further changes to the tax structure. In addition, the benefit of lower commodity prices last year may diminish, putting pressure on corporate bottom-lines.

On the external side, we believe the contribution of exports to domestic economic growth would be limited due to factors such as falling trade intensity of growth, geopolitical risks and uncertainties surrounding the pace of normalisation of monetary policy in advanced nations, besides an appreciation of the rupee.

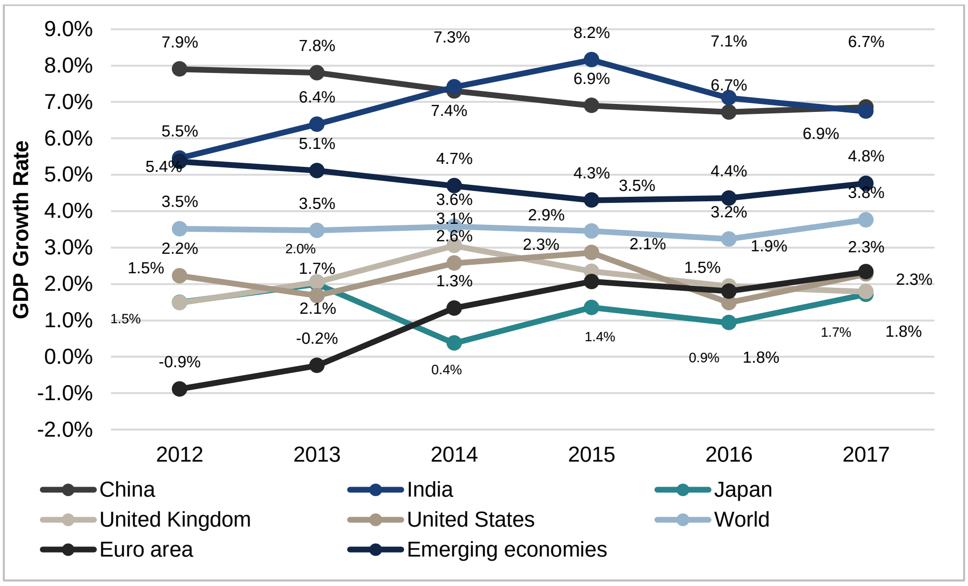
Overall, as per IMF estimates, the GDP is expected to grow 6.7% in Fiscal 2018, compared with 7.1% the previous Fiscal, with downside risks in the form of greater-than-anticipated disruptions due to GST.

CRISIL Research expects the pace of economic growth to pick up in the medium term, as structural reforms, such as GST and the Bankruptcy Code, which are aimed at de-clogging the economy and raising the trend rate of growth, respectively, begin to have an impact. Assuming the monetary and Fiscal policies remain prudent, these reforms would lead to efficiency gains and improve the prospects for sustainable high growth in years to come. Improving macroeconomic environment (softer interest rates and stable inflation), urbanisation, rising middle class, and business-friendly government reforms will drive growth in the long term. As per the IMF, the Indian economy is projected to log 7.6% CAGR in the next five Fiscals.

Stable macros and prudent government policies bolster India's position as one of the fastest-growing economies

India is one of the fastest-growing economies in the world, with growth rate higher than many emerging and developed economies. Over the past three years, the economy has witnessed a gradual improvement on the macroeconomic front, supported by prudent fiscal and monetary policies, targeted towards improving the growth-inflation mix. The focus has also been on raising the quality of growth rather than just the growth rate. The inflation-targeting model adopted by the government provides an institutional framework for inflation control, while modernising central banking.

India has grown faster than many major economies



Source: IMF, CRISIL Research; Note: GDP is based on constant prices; 2017 growth rate for India is IMF estimate; data for India on Fiscal year basis; (for example, 2012 pertains to 2012-13)

Strong growth foreseen in household financial savings

India's savings rate is higher than those of major developed economies

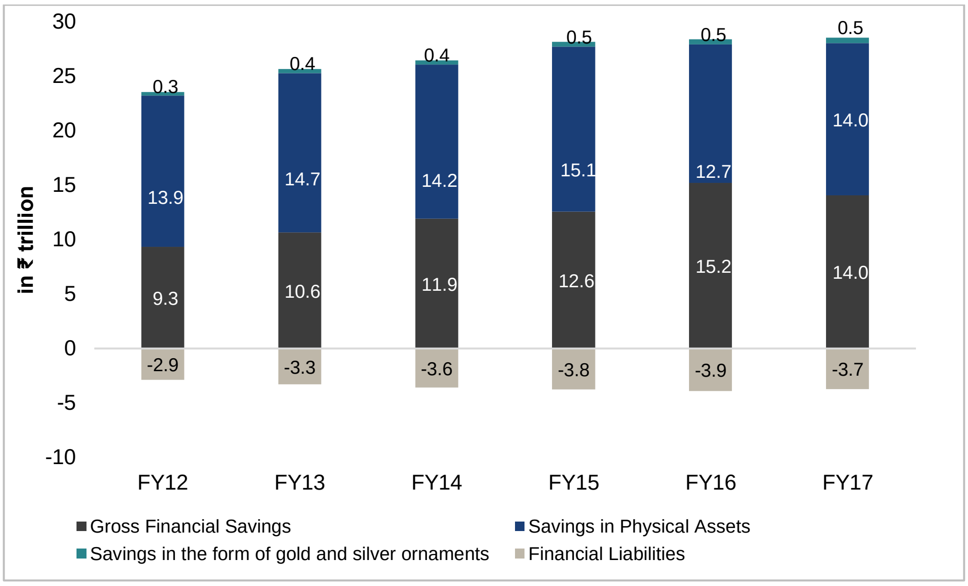
India has historically been and is expected to remain a savings economy. The gross domestic savings rate (as a percentage of GDP) is higher than those of major economies such as the US, the UK, France, Japan and Germany. As of 2016, India's gross domestic savings rate stood at 29%, compared with the global average of 25%. High savings, if invested properly, can be used to finance investments, including infrastructure. Better infrastructure can further ease supply-side constraints in the economy and drive long-term economic growth.

Financial assets getting a bigger piece of the savings pie

Household savings in India has witnessed a growth from ₹20.7 trillion in Fiscal 2012 to ₹24.8 trillion in Fiscal 2017, although its share as a percentage of GDP remained subdued during the period. With incomes on the rise and inflation under control, the household savings rate (as a percentage of GDP) is likely to increase gradually.

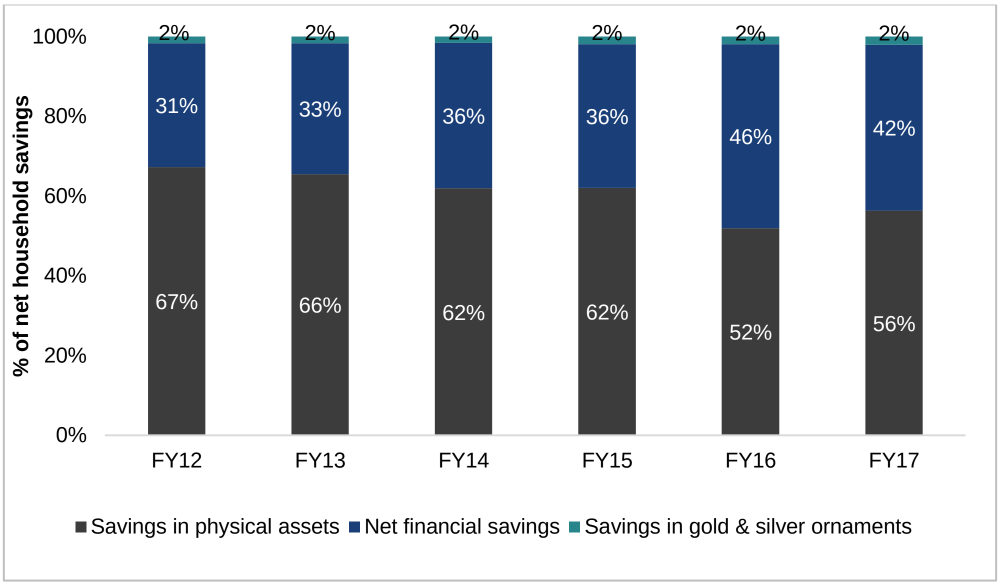
Physical assets such as real estate and gold have been the preferred avenues for household savings, though in recent years, the preference has been shifting towards financial assets. Financial savings (less financial liabilities) grew at a healthy pace of 9.9% CAGR between Fiscals 2013 and 2017, compared with savings in physical assets, which grew at a CAGR of 0.1%. Commensurately, the proportion of net financial assets in total household savings has seen a sharp rise from 31% in Fiscal 2012 to 42% in Fiscal 2017. As of Fiscal 2017, the total household financial savings (less financial liabilities) stood at ₹10.3 trillion.

Household savings growing



*Source: Ministry of Statistics & Programme Implementation ("**MOSPI**"), CRISIL Research; Note: household savings based on 3rd revised estimates for Fiscal 2015, 2nd revised estimates for Fiscal 2016 and 1st revised estimates for Fiscal 2017*

Share of financial savings on the rise



Source: MOSPI, CRISIL Research; Note: total might not add to 100% due to rounding off

Capital market products gaining traction

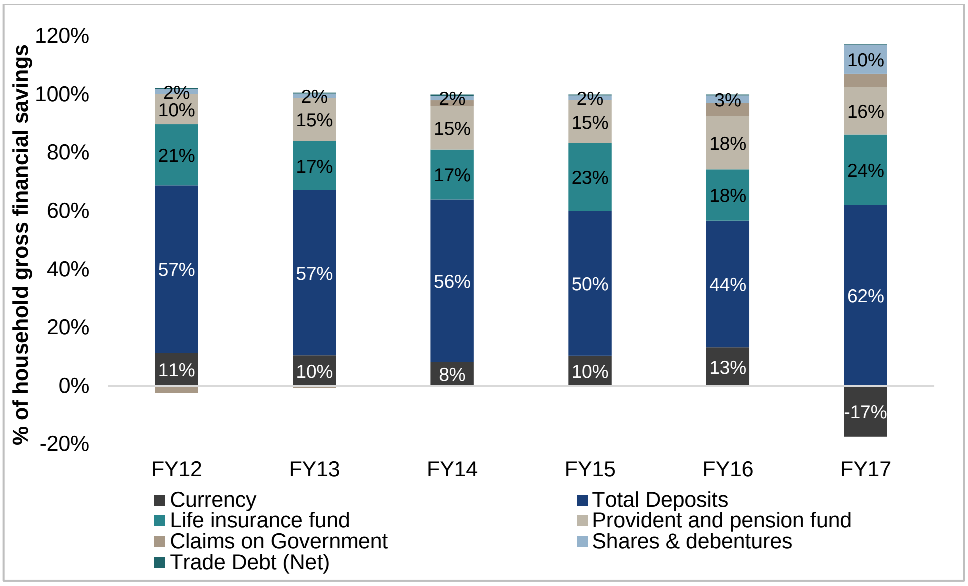
Traditionally, the highest allocation of financial assets has been to deposits (banking and non-banking), and was 62% of household gross financial savings in Fiscal 2017. However, the past two years have seen a quantum spurt in investments into capital markets, with the household allocation to shares and debentures increasing from 2% in Fiscal 2015 to 10% in Fiscal 2017. This can be partly attributed to the declining interest rates and growing equity markets.

In the recent years, we have also witnessed a sharp increase in the mutual fund assets under management ("**AUM**") attributable to individual investors, including retail and high net-worth individuals ("**HNIs**"). It grew at a CAGR of 31.2% from ₹3.9 trillion as of March 2014 to ₹11.7 trillion as of March 2018.

Also, with lower currency in the market and high digitalisation post-demonetisation, the share of currency declined drastically in Fiscal 2017 and investments in capital markets and deposits increased.

CRISIL Research expects financial savings to increase with the government's strong stance against black money and diminishing attractiveness of real estate and gold, along with improvement in financial education among households and measures taken towards financial inclusion.

Savings in shares, mutual funds and deposits has increased post-demonetisation



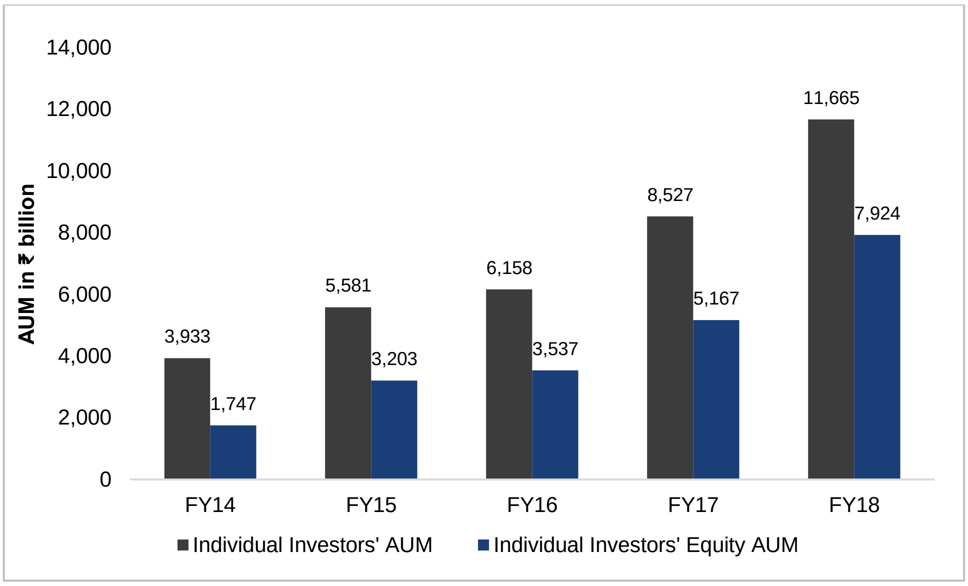
*Source: Reserve Bank of India ("**RBI**"), CSO, CRISIL Research; Note: data based on current prices; data for Fiscals 2015 and 2016 are provisional and for Fiscal 2017 is based on preliminary estimates; shares and debentures include investment in shares and debentures of credit/non-credit societies and investment in mutual funds (other than specified undertaking of the Unit Trust India ("**UTI**"))*

Split of gross financial savings

In ₹ billion	**Currency**	**Total Deposits**	**Life insurance fund**	**Provident and pension fund**	**Claims on Government**	**Shares & debentures**	**Trade Debt (Net)**
FY12	1,062	5,360	1,957	957	-219	165	45
FY13	1,115	6,030	1,799	1,565	-71	170	32
FY14	995	6,621	2,045	1,778	231	189	48
FY15	1,333	6,363	2,993	1,888	10	198	42
FY16	2,005	6,587	2,661	2,769	666	413	41
FY17	-3,168	11,299	4,407	2,961	837	1,826	44

Source: RBI, CSO, CRISIL Research; Note: data based on current prices; data for Fiscals 2015 and 2016 are provisional and for Fiscal 2017 is based on preliminary estimates; shares and debentures include investment in shares and debentures of credit/non-credit societies and investment in mutual funds (other than specified undertaking of the UTI).

Mutual fund assets of individual investors on the rise



*Source: Association of Mutual Funds in India ("**AMFI**"), CRISIL Research*
Note: based on monthly average AUM as of March; equity includes balanced funds

Benign inflation and income growth – positive for financial savings in long-term

As stated earlier, CRISIL Research projects GDP growth in India to improve, with control over inflation being another key structural positive. When the country witnessed a 23% deficient monsoon in Fiscal 2010, the consumer price index ("**CPI**") linked inflation climbed to 12.3%. However, despite two successive deficient monsoons, in calendar years 2014 and 2015, CPI inflation averaged 6% in Fiscal 2015 and dropped to 3.6% in Fiscal 2018.

In Fiscal 2019, CRISIL Research expects CPI inflation to inch up to around 4.6%. Over the long term, too, the RBI is committed to keep inflation low and range-bound.

Lower inflation gives an impetus to overall savings, as people can save more.

Benign inflationary pressures would diminish the attractiveness of gold and real estate – which represent physical savings of households – as investment alternatives. Consequently, the share of financial savings within household savings is likely to rise further from 42% in Fiscal 2017. In the past too, strong real income growth and low inflation had a positive spin-off effect on financial savings. Between Fiscals 2000 and 2008, the share of financial savings in household savings increased from 47% to 52%, but dipped sharply to 31% by Fiscal 2012 as risk aversion grew in the aftermath of the 2008 financial crisis and as inflationary pressures increased.

An Overview of the mutual fund industry

Evolution of the industry

The initial years (1963-1987)

The Indian mutual fund industry has a long history of over 50 years, starting with the formation of UTI, a joint initiative of the Government of India ("**GOI**") and the RBI in 1963. It was regulated and controlled by the RBI until 1978, after which the Industrial Development Bank of India ("**IDBI**") took over. UTI launched its first scheme, Unit Scheme 1964, in 1964 and its AUM reached ₹67 billion by 1988.

Entry of public sector banks (1987-1993)

The year 1987 witnessed the entry of other public sector banks to set up mutual fund business in the country. SBI Mutual Fund was set up in June 1987, followed by the launch of Canbank Mutual Fund in December 1987. Subsequently, other entities such as Life Insurance Corporation of India ("**LIC**"), Punjab National Bank ("**PNB**"), Indian Bank, Bank of India, General Insurance Corporation of India ("**GIC**") and Bank of Baroda ("**BoB**") opened their mutual fund houses, taking the industry assets to ₹470 billion by the end of 1993.

Formal regulation and the entry of private sector mutual funds (1993-2000)

Seeing the rise in demand for mutual funds and with the onset of liberalisation in the country, the industry was opened to the private sector in 1993. The year also saw the introduction of mutual fund regulations, Securities and Exchange Board of India ("**SEBI**") (Mutual Fund) Regulations, 1993. All mutual funds, except UTI, were under the ambit of these regulations, which were later replaced by SEBI (Mutual Fund) Regulations, 1996.

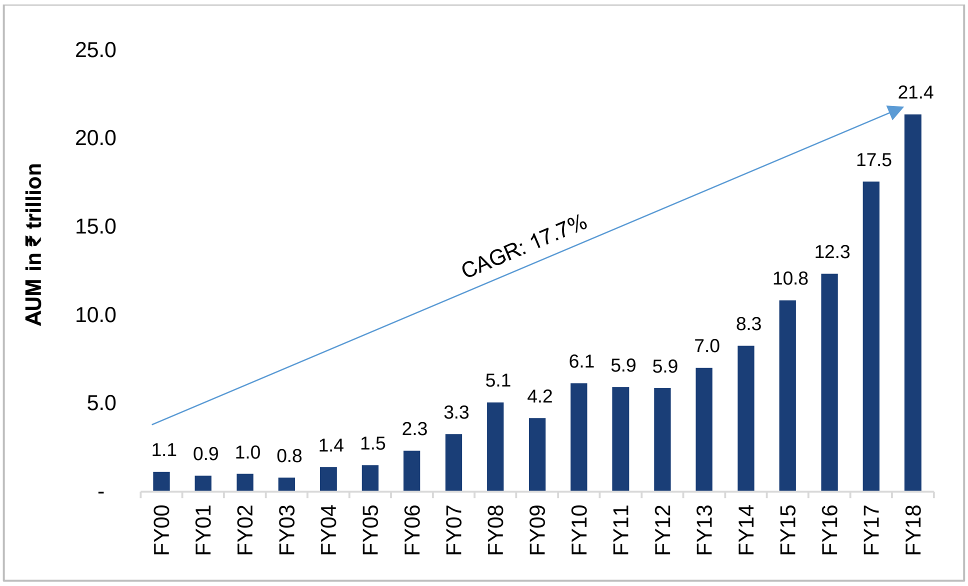
Kothari Pioneer Mutual Fund (now merged with Franklin Templeton Mutual Fund) was the first private sector mutual fund in the country, started in July 1993. This triggered the entry of various mutual fund houses, both domestic and foreign, in India taking the count to 32 at the end of Fiscal 2000. As of March 2018, the number of fund houses increased to 41.

The AMFI, a member association of the mutual fund industry, was incorporated in August 1995. The association recommends and promotes best practices and code of conduct to its members.

Assets up almost 19-fold since 2000

The assets of the Indian mutual fund industry have grown at a healthy pace since the turn of this millennium. At ₹21.4 trillion as of March 2018, AUM has seen a CAGR of 17.7% from ₹1.1 trillion in March 2000. The industry's growth came in the backdrop of an expanding domestic economy, robust inflows and increased participation, especially by individual investors. The industry had 41 asset management companies ("**AMCs**") as of March 2018, up from 32 in March 2000, after a brief drop to 28 in 2004.

Mutual fund assets have grown strongly this millennium



*Source: AMFI; Note: AUM as on end of Fiscal; does not include fund of funds ("**FOF**") – domestic*

Current scenario

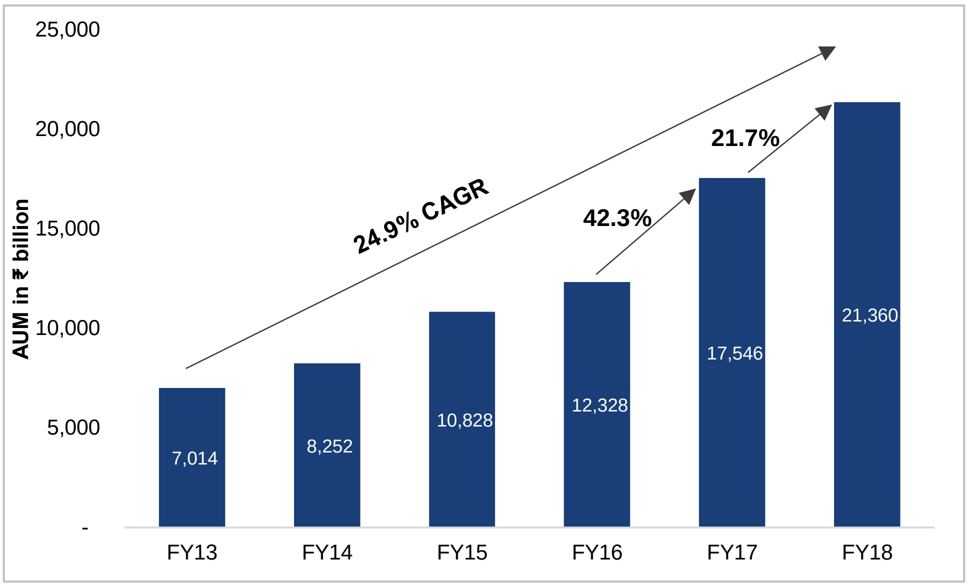
Robust AUM growth since Fiscal 2013, due to the rising individual investors' participation and equity market

The mutual fund industry's AUM grew at a CAGR of 24.9% from ₹7 trillion as of March 2013 to ₹21.4 trillion as of March 2018, supported by strong investor inflows. During the past five fiscals, the industry witnessed a net inflow of ₹9.1 trillion. Fiscals 2017 and 2018 have been remarkable for the industry, attracting around 68% of the ₹9.1 trillion net inflow, with equities leading the charge. Equity-oriented funds (including balanced and excluding exchange traded funds ("**ETFs**")) attracted 60% of the total net inflows in Fiscals 2017 and 2018. Supported by these strong inflows, growing participation from individual investors and rising equities, the industry's assets surged 42.3% in Fiscal 2017 and 21.7% in Fiscal 2018, catapulting above the milestone figure of ₹21 trillion.

The AUM of equity-oriented funds grew at a CAGR of 37.3% from ₹1.9 trillion as of March 2013 to ₹9.2 trillion as of March 2018, faster than the debt segment's 14.6% CAGR during the same period. The ETF segment also saw robust growth, because of recent move by the Employees' Provident Fund Organisation ("**EPFO**") to invest a portion (currently 15%) of the corpus in equities. The AUM of liquid/money-market funds too grew at a rapid pace of 29.1%, supported by corporate investments and stable returns.

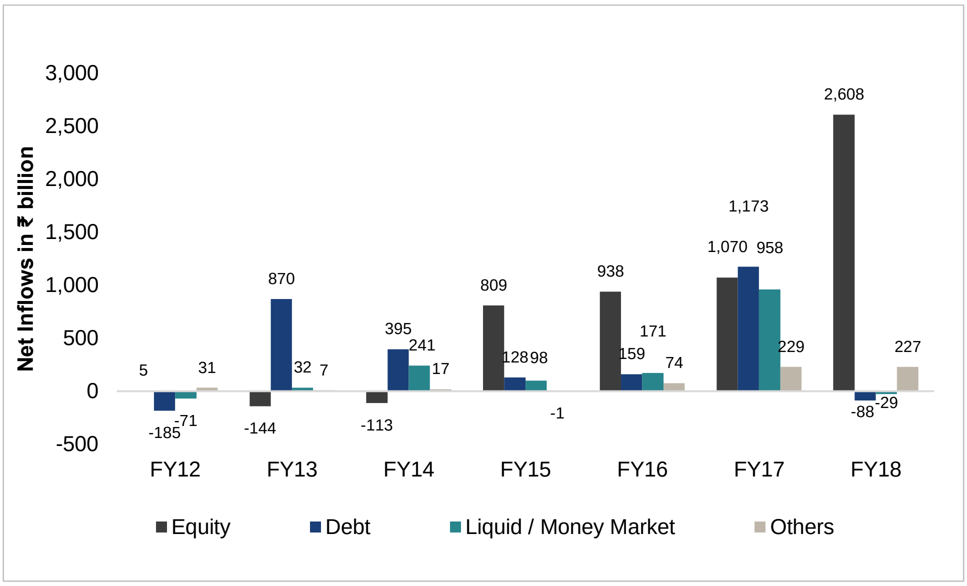
Strong growth of the mutual fund industry can largely be attributed to higher financial savings combined with growing investor awareness of such products. CRISIL Research believes the structural reforms, coupled with the formalisation of the economy and growing financial inclusion, would encourage more investors to have mutual funds in their financial savings basket.

Asset growth has picked up pace since Fiscal 2013



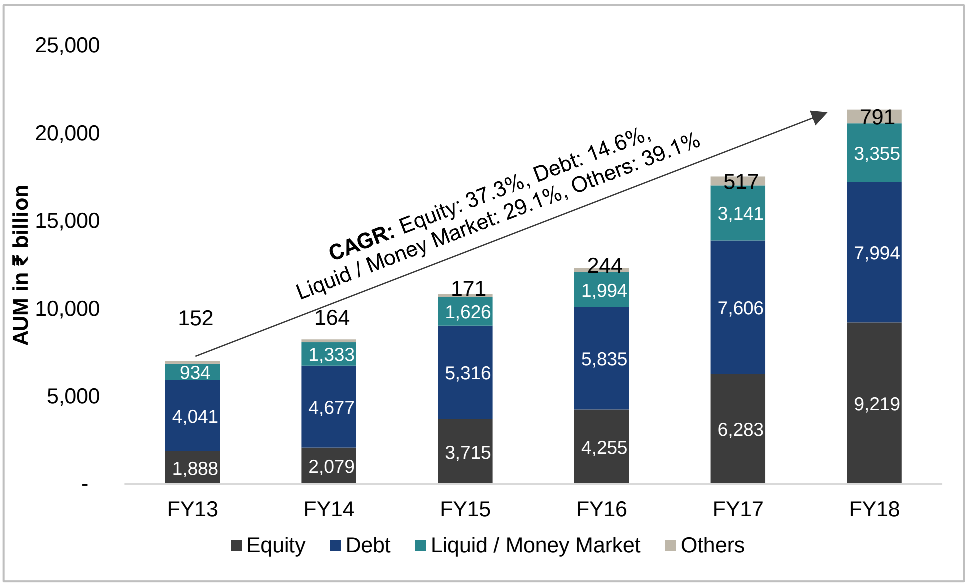
Source: AMFI; Note: AUM as on end of Fiscal; does not include FOF – domestic

Equity-oriented funds lead the charge in net inflows



Source: AMFI, CRISIL Research; Note: does not include FOF – domestic; equity includes balanced funds; others include Gold ETFs, other ETFs and FOF – investing overseas

Equity-oriented funds have grown faster than debt peers

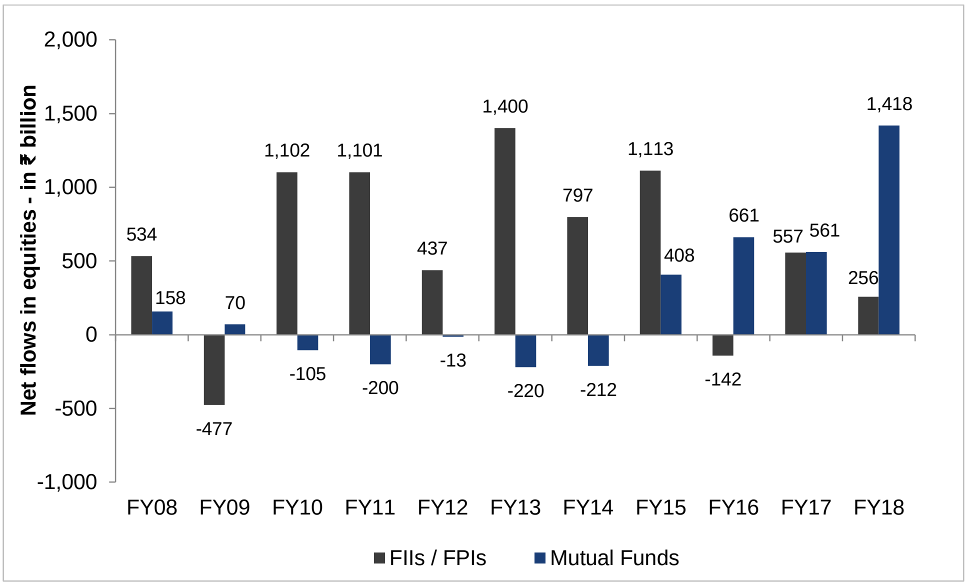


Source: AMFI, CRISIL Research; Note: AUM as on end of Fiscal; does not include FOF – domestic; equity includes balanced funds; others include Gold ETFs, other ETFs and FOF – investing overseas

Mutual funds have emerged as a strong counterweight to foreign institutional investors ("FIIs")

Historically, Indian financial markets, especially equities, used to mirror the movement of fund flows from FIIs/foreign portfolio investors ("**FPIs**"). However, the FII/FPI flows have also been a major source of volatility in the market. This trend has started to change of late. The strong inflows into equity mutual funds during the recent years have emerged as a stabilising factor. For instance, in Fiscal 2016, while FIIs/FPIs sold equities worth ₹142 billion (net), mutual funds were net buyers (worth ₹661 billion). In Fiscal 2018, net investment of FIIs/FPIs in equities was ₹256 billion vs mutual funds' ₹1.4 trillion.

Mutual funds filling in for foreign peers



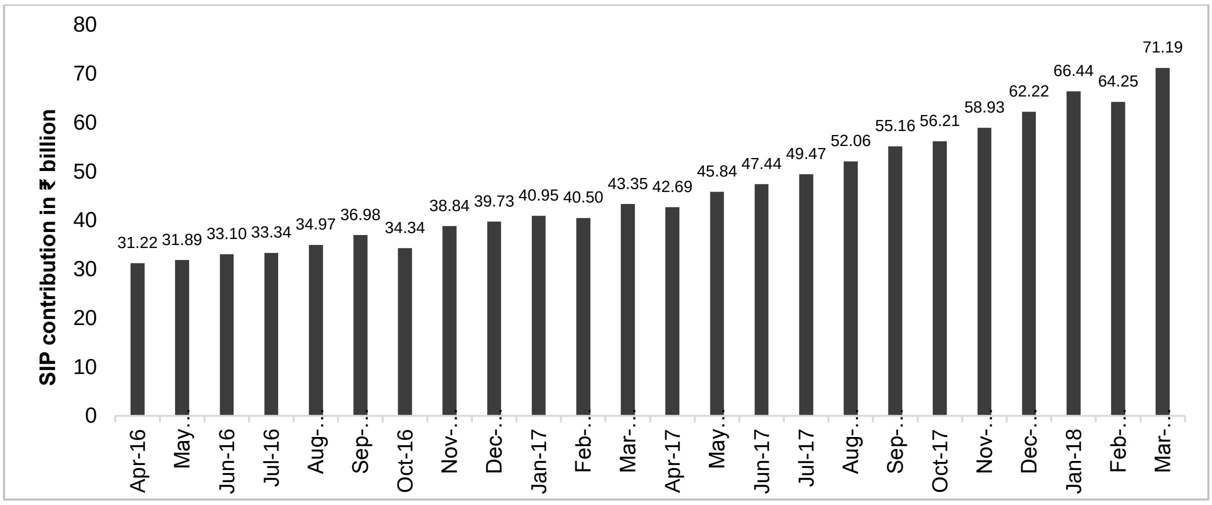
*Source: SEBI, National Securities Depositary Limited ("**NSDL**")*

Systematic Investment Plans ("SIPs") book size has more than doubled since April 2016

Systematic wealth accumulation has gained significance in the recent months, especially among individual investors. The total number of SIPs constituted around 41% and 26% of the total equity fund flows (including balanced and excluding ETFs) in Fiscals 2017 and 2018, respectively.

The SIP book size increased from ₹31.2 billion as of April 2016 to a whopping ₹71.2 billion as of March 2018. This is a huge positive for the mutual fund industry, as SIPs aid in building a healthy long-term asset base.

Monthly SIP contributions getting bigger



Source: AMFI

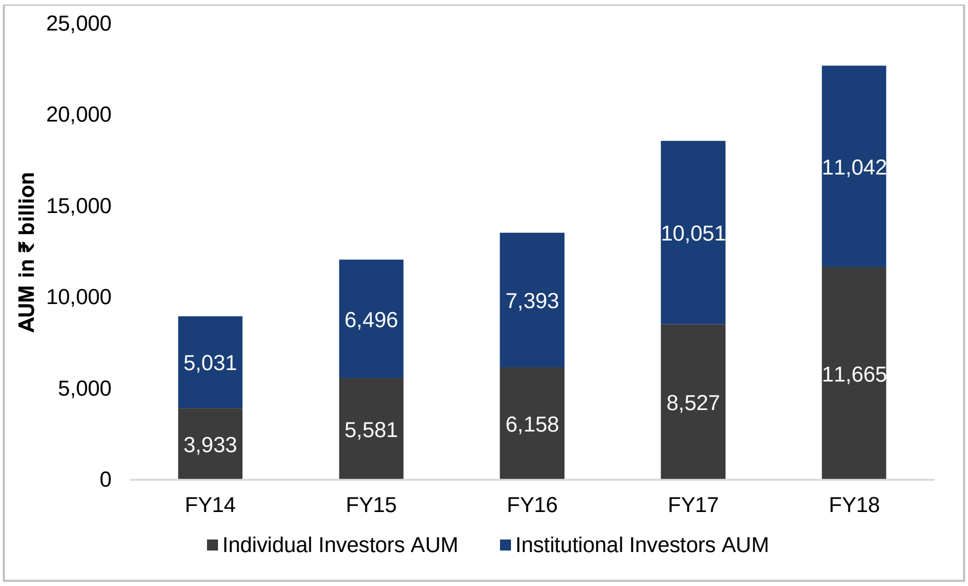
Investor profile of the industry

Individual investors' AUM outpace institutional segment

Historically, the majority of the industry's assets were held by institutional investors, mainly by corporates. Banks/financial institutions ("**FIs**") and FIIs/FPIs had a meagre share. However, the share of institutional investments gradually decreased to 49% as of Fiscal 2018 from 56% in Fiscal 2014. On the other hand, a recent surge in investments of individual investors has aided the growth in their share of AUM, which stands at ₹11.7 trillion as of March 2018.

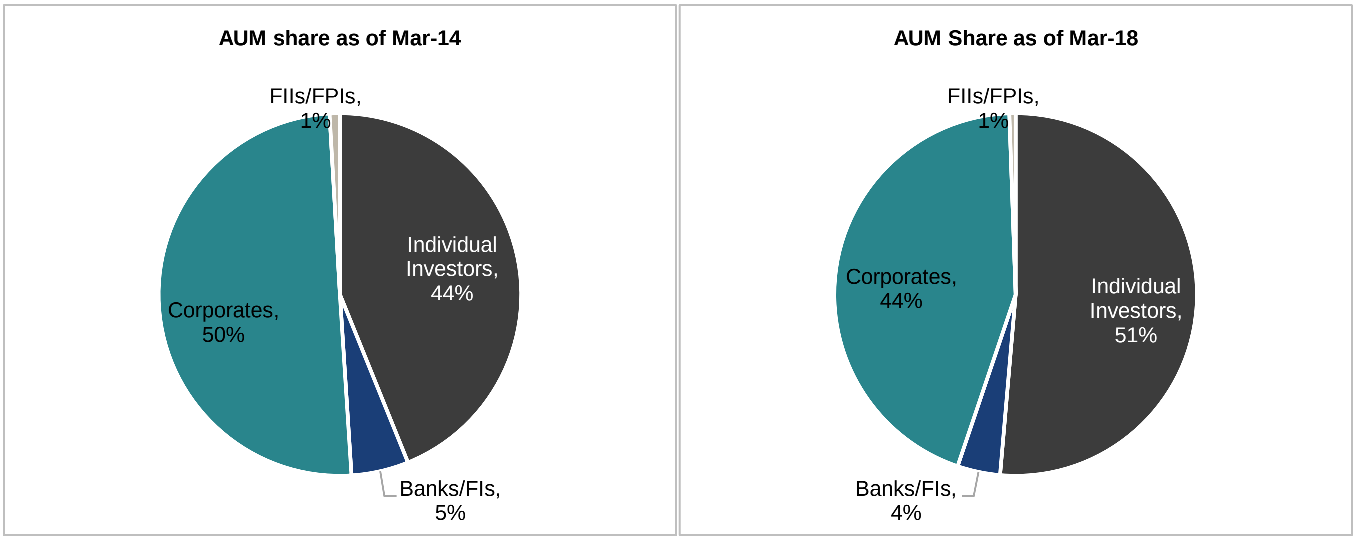
AUM attributable to individual investors has witnessed the fastest growth among investor categories. They grew at a CAGR of 31.2% from March 2014 to March 2018. A healthy growth resulted in an increase in its share of the overall pie from 44% to 51% during the period.

Individual investors' AUM growing strongly



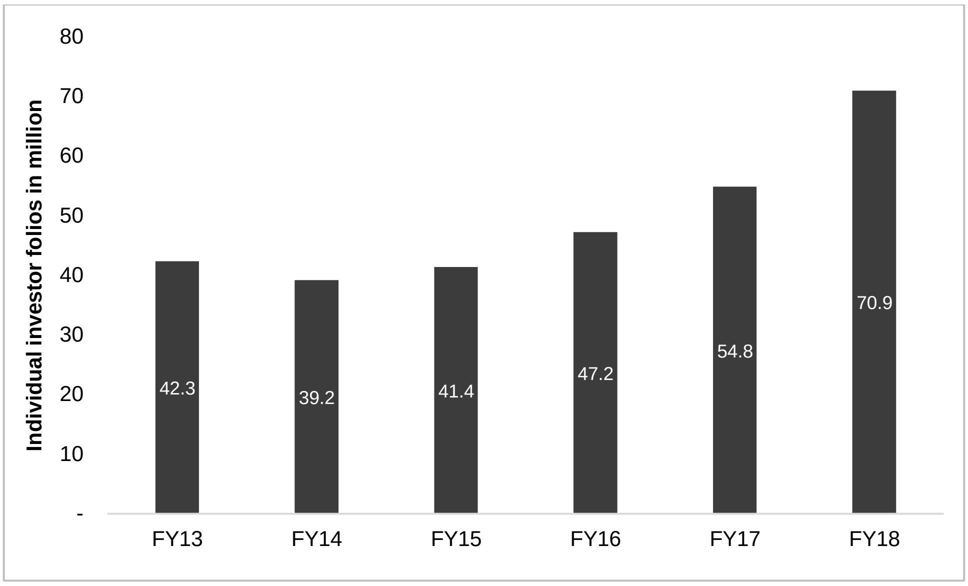
Source: AMFI; Note: based on monthly average AUM as of March

Individual investors' assets claim a bigger share of the AUM pie



Source: AMFI, CRISIL Research; Note: based on monthly average AUM

Growth in individual investor folios

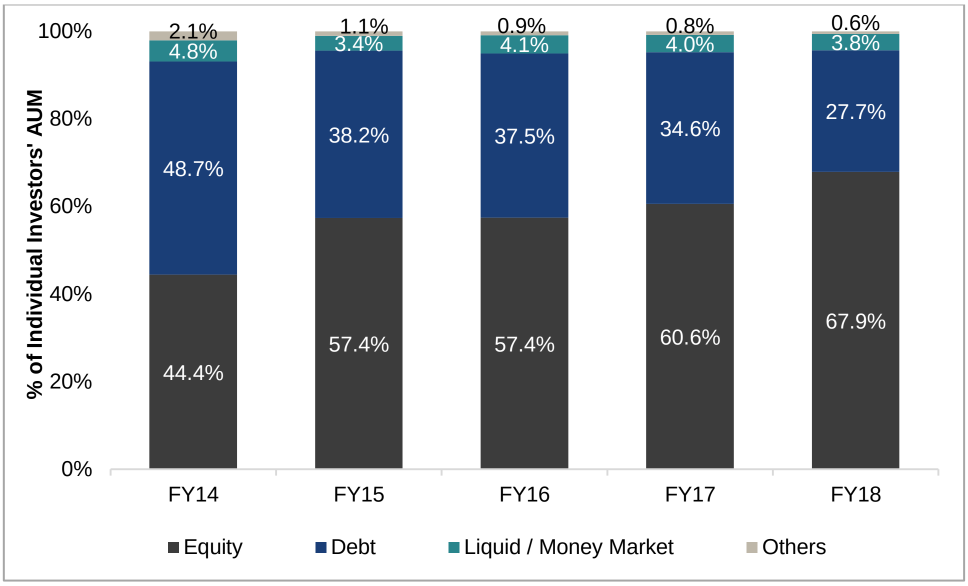


Source: AMFI, CRISIL Research Note: based on number of folios as on end of Fiscal

Individual investors gung-ho on equity

With the recent surge in individual investors' participation in mutual funds, they have shown a growing preference for equity-oriented funds. This is evident from the rise in share of equity oriented funds from 44.4% as of March 2014 to 67.9% as of March 2018.

Bulk of individual investor assets are in equity-oriented funds

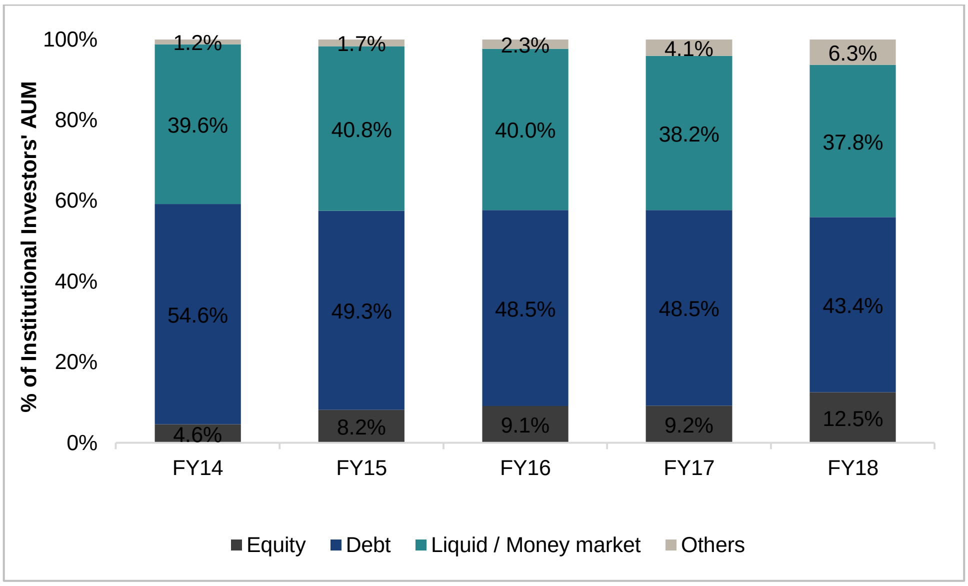


Source: AMFI, CRISIL Research Note: based on monthly average AUM as of March; equity includes balanced funds; others include Gold ETFs, other ETFs and FOF – investing overseas

Institutional investors prefer debt and liquid/money-market investments

Corporates had the majority share (91%) of AUM attributable to institutional investors, followed by banks and FIs with 8% and FIIs/FPIs with 1% as of March 2018. The majority of corporate investments are into debt and liquid/money-market funds. However, allocation to equities increased from 4.2% as of March 2014 to 13% as of March 2018. Banks and financial institutions had 97% of their investments in debt and liquid/money-market funds. For FIIs/FPIs, the share of equity was significant around 50%.

Category-wise allocation for institutional investors



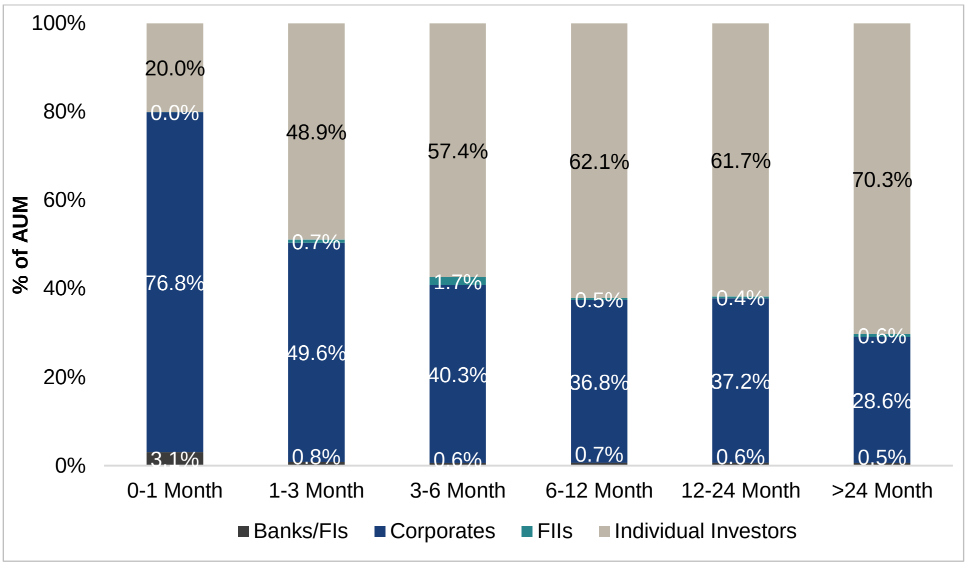
Source: AMFI, CRISIL Research; Note: based on monthly average AUM as of March; equity includes balanced funds; others include Gold ETFs, Other ETFs and FOF – investing overseas

Individual investors tend to remain invested longer

It is seen that lower holding periods are dominated by corporate investments, which comprise hot institutional liquid/money-market flows. This category is generally used for parking money for shorter tenures. As we go up the holding-period buckets, the individual investors hold the majority share, as they tend to invest a higher proportion of their assets in equity-oriented funds, which are positioned as long-term investment products. The

SIP mode of investing, primarily targeted towards individual investors as a disciplined approach of investment, has gained traction in recent times. AUM accumulated through this mode tends to be held for longer duration. Such sticky AUM is important for AMCs, since it accounts for longevity as well as regularity in inflows.

Investments from individual investors tend to be stickier



Source: AMFI, CRISIL Research; as of March 2018

Industry Outlook

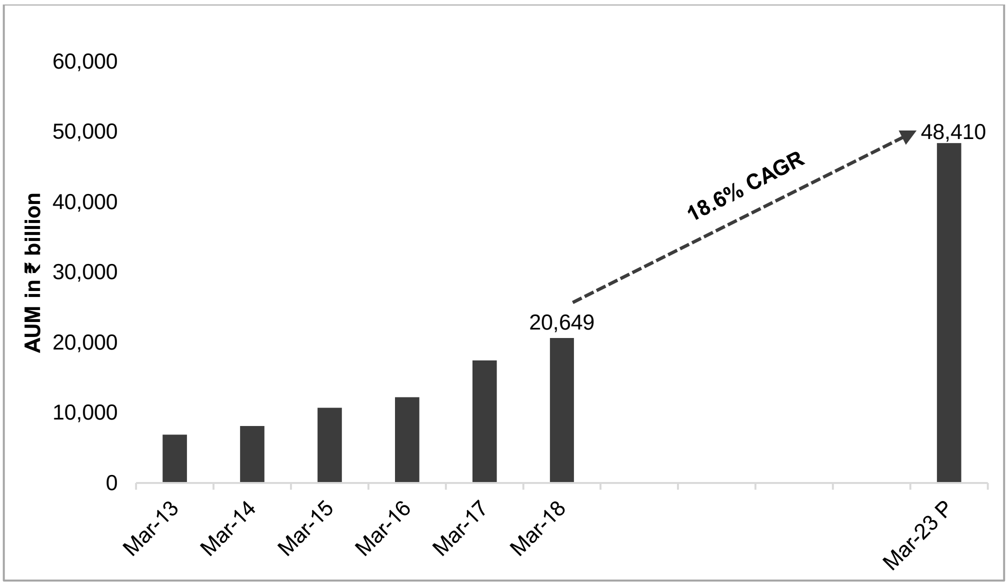
Industry AUM expected to more than double by Fiscal 2023

CRISIL Research's analysis shows that the industry's AUM will grow from ₹20.6 trillion (excluding gold ETFs and FOF) as of March 2018 to ₹48.4 trillion by March 2023, clocking a robust CAGR of 18.6%.

A pick-up in economic growth, growing investor base, higher disposable income and investable surplus, increasing financial savings and government schemes focusing on increasing awareness, ease of investing, digitalisation, and perception of mutual funds as long-term wealth creators, and increasing geographical penetration will be key facilitators of growth.

CRISIL Research's forecasts assume average real GDP growth of 7.5-8% during the next five financial years, a gradual pick-up in corporate earnings, benign inflation, a stable political and geopolitical environment in the next five years and a consistent increase in mutual fund penetration as well as fresh inflows. Any negative surprises on these counts would lead to gyrations in the equity and debt markets, thereby impacting mutual funds.

AUM to clock 18.6% CAGR in five years through Fiscal 2023



Source: AMFI, CRISIL Research; Note: P – Projection; AUM does not include Gold ETFs and FOF

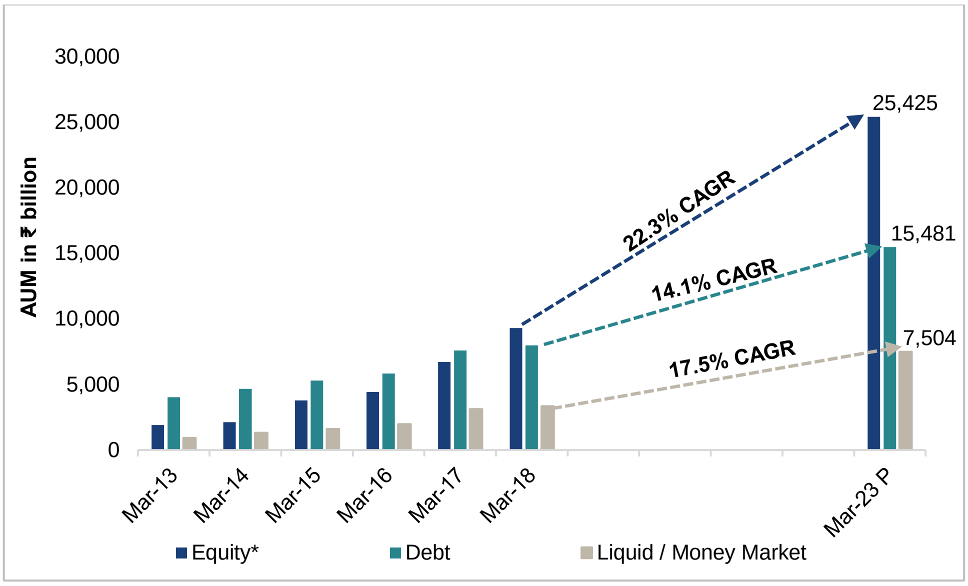
Equity funds, including balanced and ETFs (other than gold ETFs), are expected to be the driver, with AUM clocking a 22.3% CAGR to ₹25.4 trillion by March 2023 from ₹9.3 trillion as of March 2018, given strong inflows from a growing individual investor base and growth in the underlying equity markets.

The incremental flows into equity funds will come mostly from individual investors, given the burgeoning household incomes and higher financial savings. Among other factors, inflows from the EPFO into ETFs – currently 15% of the total corpus – is also expected to contribute to AUM growth, as would the mark-to-market increases, because of the rising equity markets.

Debt AUM is expected to increase from ₹8 trillion as of March 2018 to ₹15.5 trillion as of March 2023 – a CAGR of 14.1% – riding on incremental flows, predominantly from corporates and HNIs, and stable debt market returns. However, the share of debt to overall AUM is expected to fall from 39% to 32%, because of faster growth in the equity segment.

The liquid/money-market funds segment will be dominated by corporate investors, who use these to park funds for short-term purposes. AUM in this space is expected to increase from ₹3.4 trillion as of March 2018 to ₹7.5 trillion as of March 2023 at a CAGR of 17.5%.

Equities to lead the charge in AUM growth



Source: AMFI, CRISIL Research; Note: P – Projection; AUM does not include Gold ETFs and FOF; equity includes balanced and ETFs (other than gold ETFs)

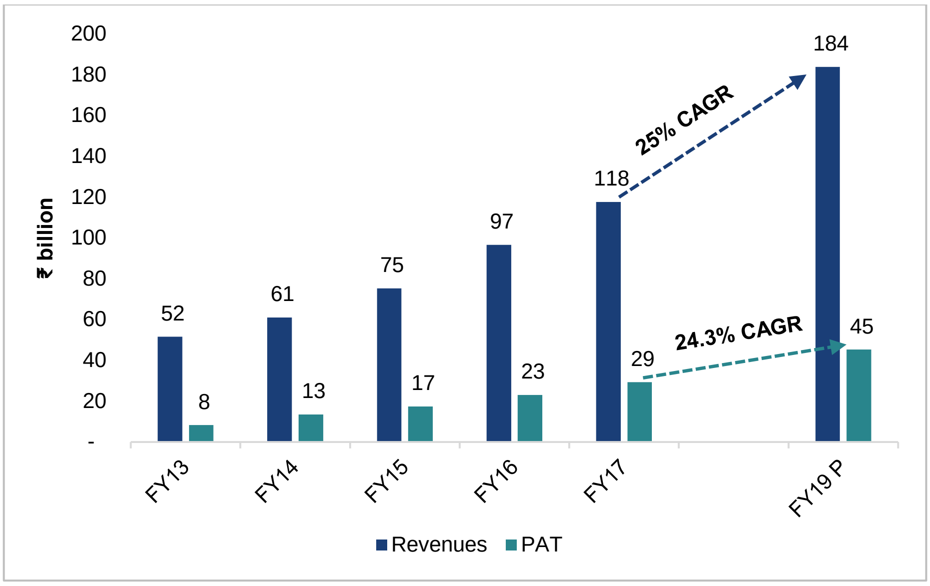
Revenue and profits to grow strongly through Fiscal 2019

The mutual fund industry's revenue is expected to grow at a CAGR of 25% to around ₹184 billion by Fiscal 2019. Commensurately, net profit is expected to grow to around ₹45 billion at a CAGR of 24.3% by Fiscal 2019.

While the revenue growth will be driven by the growth in AUM, growing allocation to equity-oriented funds, which generally charge higher investment management fees (on actively managed equity funds) than other categories, will be a major contributor. In addition, revenue from other streams, including portfolio management services ("**PMS**"), alternative investment funds ("**AIFs**") and offshore advisory services, are also expected to grow at a healthy pace. AUM growth in the PMS and AIF verticals would be driven by the HNIs segment, given the growing appetite and preference for such high-ticket investments.

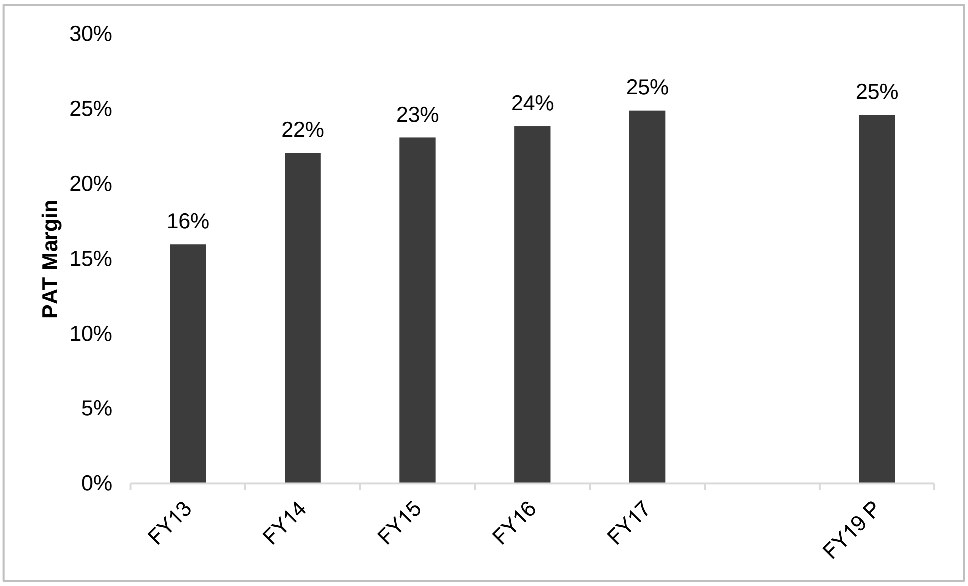
Overall, the industry's profitability is expected to remain stable in the near term, supported by robust growth in AUM. We expect a gradual decrease in the percentage of investment management fees charged by fund houses to manage the AUM, primarily owing to higher competition and tighter regulations. Rising competition will also drive increased spending by AMCs on marketing related activities. However, these would be offset by an improvement in employee efficiency.

Projected growth in industry's revenues and profits over next two Fiscals



Source: AMC Annual Reports, CRISIL Research Note: P – Projection

PAT margin expected to be stable



Source: AMC Annual Reports, CRISIL Research. Note: P – Projection; calculated with respect to total revenues

Other revenue streams

Portfolio management services

Apart from managing mutual fund schemes, AMCs in India have started offering tailor-made strategies with higher flexibility to investors through PMS. As of December 31, 2017, there were 255 portfolio managers (including AMCs) registered under the SEBI. This avenue has seen a sharp increase in the asset size, which doubled to ₹14.2 trillion as of December 2017 from ₹6.1 trillion as of March 2013, also supported by major chunks invested by the EPFO.

This AUM can be classified under three sections – non-discretionary, discretionary and advisory. Discretionary assets dominated the PMS space with a 79% share, followed by advisory (15%) and non-discretionary (6%).

Alternative investment funds

The AIF market in India is still at a very nascent stage, compared with mutual funds and PMS. However, it has gathered steam in the recent years, with the total commitments raised in AIFs increasing from ₹14.4 billion as of March 2013 to ₹1.4 trillion as of December 2017. The majority of commitments raised were in Category II funds (61.7%), followed by Category III (20.4%) and Category I (17.9%) as of December 2017. Some of the AMCs have started targeting the HNIs segment with AIFs, and this can help boost the AMC revenue.

Offshore management/advisory services

Offshore advisory services cater to foreign investors who wish to participate in the Indian markets. The assets under custody ("**AUC**") of FPIs/FIIs in India have increased to ₹31.5 trillion as of Fiscal 2018 from ₹13.4 trillion as of Fiscal 2013. As of March 2018, equity and debt constituted 86% and 14% of the assets, respectively. While some of the AMCs generate revenue through managing or advising offshore funds, this can be an added source of revenue, apart from the domestic businesses.

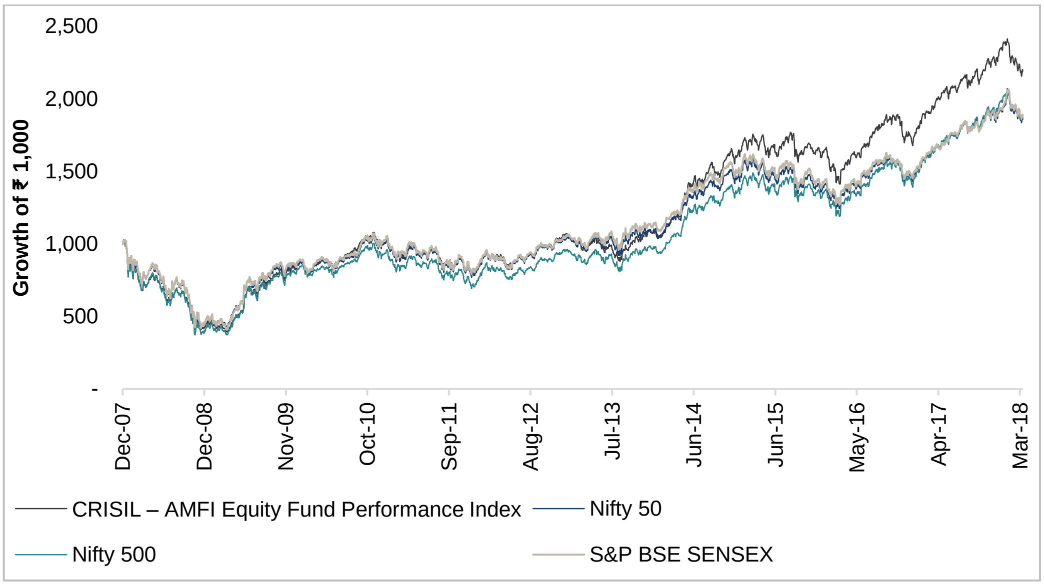
Growth Drivers

Equity mutual funds are perceived as long-term wealth creators

Over the years, equity mutual funds have emerged as a favoured investment vehicle for long-term wealth creation. For e.g., ₹1,000 invested in equity funds (represented by the CRISIL-AMFI Equity Fund Performance Index) on December 31, 2007, would have grown to 2.2 times until March 28, 2018, compared with 1.9 times, each of the Nifty 50, Nifty 500 and S&P Bombay Stock Exchange ("**BSE**") Sensex indices, respectively, over the same time span.

Equity-oriented schemes have markedly outperformed traditional investment avenues such as fixed deposits in the long run, albeit with volatility. Strong growth in equity markets has attracted substantial flows into equity-oriented funds, especially since Fiscal 2015. With more number of households including mutual funds in their savings basket, benign inflation, falling interest rates and growing individual investor participation (especially through the disciplined SIP route), combined with the growing equity markets, make this asset class an attractive vehicle for long-term wealth creation.

Performance of equity mutual funds in long term



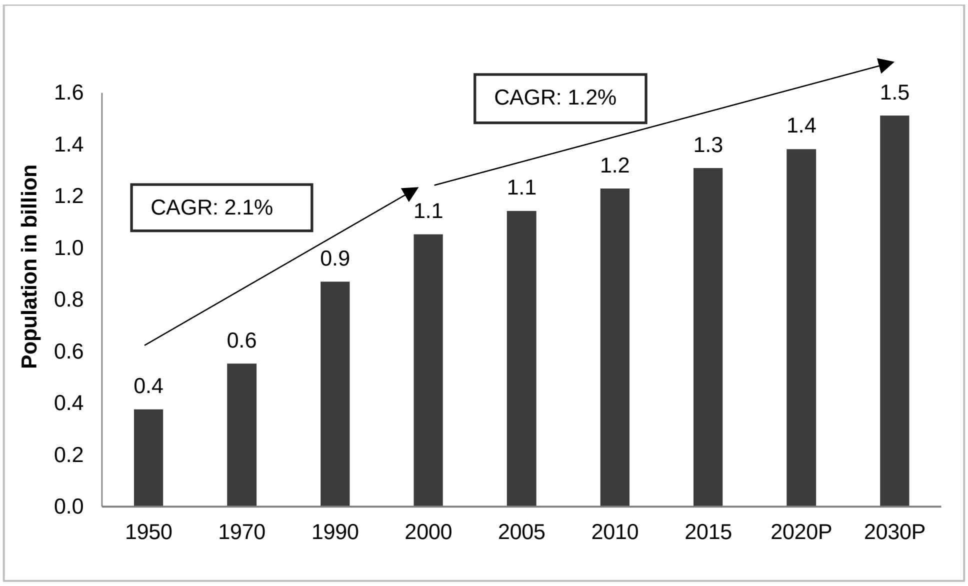
*Source: CRISIL Research, National Stock Exchange of India ("**NSE**"), BSE Note: CRISIL - AMFI Equity Fund Performance Index seeks to track the performance of the equity funds. The index consists of mutual fund schemes from diversified equity, large cap equity and small and mid-cap equity categories ranked under CRISIL Mutual Fund Ranking; total returns indices have been considered for Nifty 500, Nifty 50 and S&P BSE Sensex.*

India – a country with a huge demographic dividend

India has the second-largest population

As per Census 2011, India's population was about 1.2 billion, and comprised nearly 246 million households. The population, which grew nearly 18% between 2001 and 2011, is expected to increase about 11% between 2011 and 2025, to 1.4 billion.

India's population growth



Source: United Nations Department of Economic and Social affairs, CRISIL Research. Note: P – Projected

Giant investor pool in hand, given favourable demographics

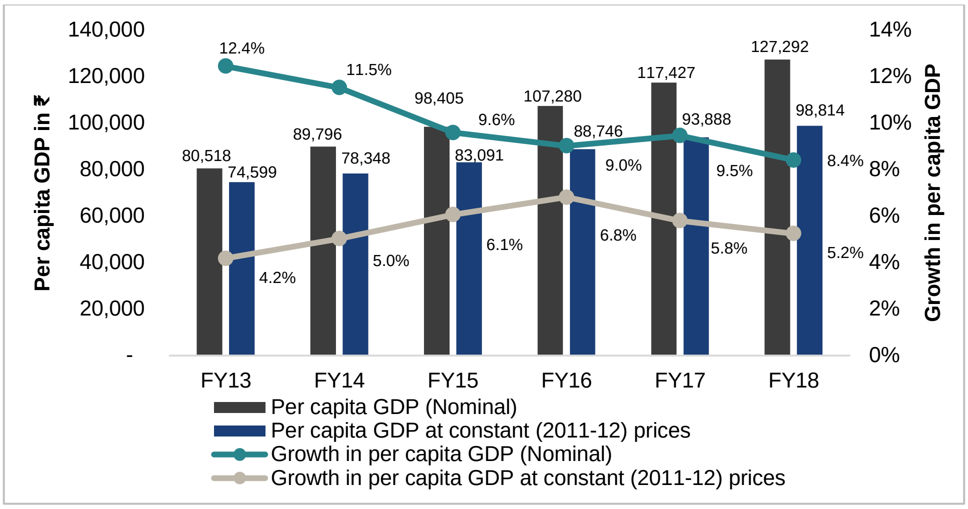
Currently, India is one of the nations with the highest young population, with a median age of 28. The trend is expected to continue over the next decade. Around 90% of the population is expected to be below 60 years of age, with around 63% of the population between the age group 15 and 59, which fairly represents the working-age population. CRISIL Research expects that a large share of the working-age population, coupled with rapid urbanisation, growing income and rising affluence, will propel the mutual fund industry in India.

Rising income and higher savings, along with increasing allocation to mutual funds, are huge positives for the industry

India has been witnessing a steady growth in per-capita GDP (at constant Fiscal 2012 prices) from ₹74,599 in Fiscal 2013 to ₹98,114 in Fiscal 2018 (based on 2nd revised estimates), indicating an absolute increase of 32.5%. CRISIL Research expects the trend in per- capita growth to continue. In the short-to-medium term, disposable income will rise as a result of the implementation of the Seventh Pay Commission's recommendations, One Rank One Pension scheme, and sustained low inflation.

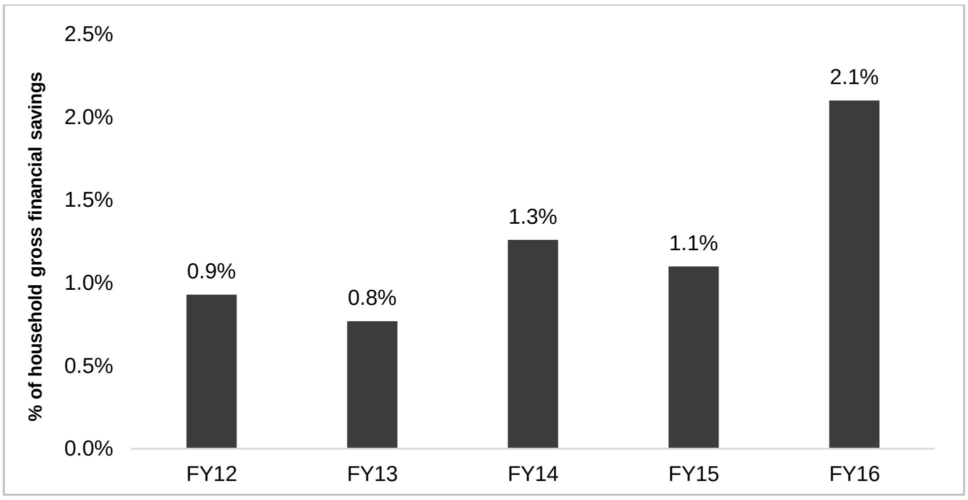
India has traditionally been a high-savings economy, and is expected to remain so at least over the next decade. While the bulk of savings have historically remained in physical assets, we have witnessed a steady growth in allocation to financial assets. Especially, the allocation to mutual funds has seen a spurt in the recent years, because of increased participation from individual investors. We expect the share of mutual funds in household savings to increase, supported by rising incomes and higher savings rate.

Real per capita GDP in a steady uptrend



Source: RBI, CSO; Note: data based on 3rd revised estimates for Fiscal 2015, 2nd revised estimates for Fiscal 2016 and 1st revised estimates for Fiscal 2017, 2nd advanced estimates for Fiscal 2018

Share of Mutual Funds in household financial savings



Source: MOSPI, CRISIL Research; Note: Data based on 3rd revised estimates for Fiscal 2013 and Fiscal 2014, 2nd revised estimates for Fiscal 2015 and 1st revised estimates for Fiscal 2016

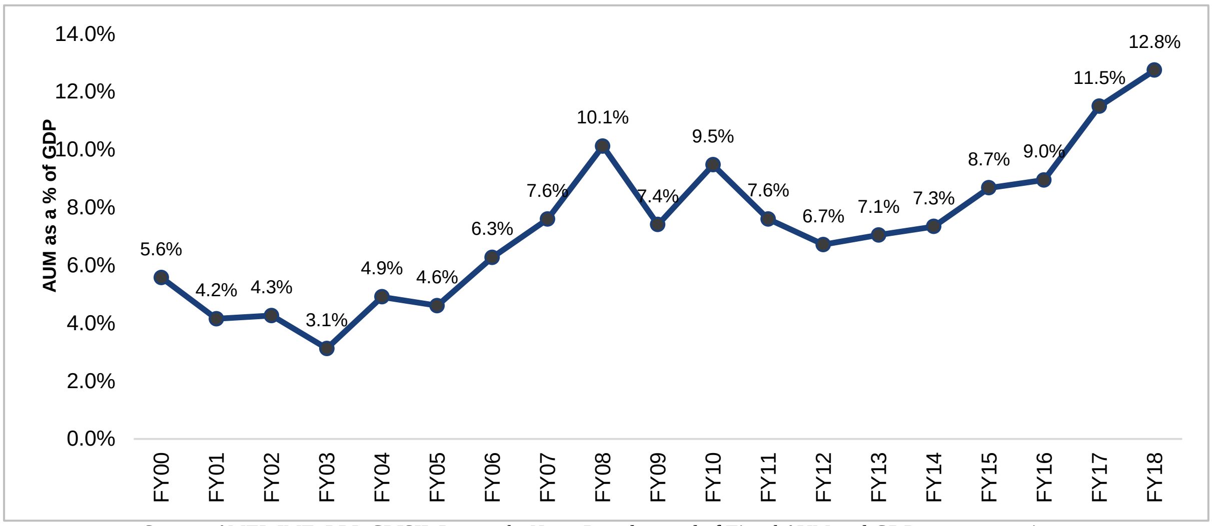
Huge potential in the hinterland waiting to be tapped

Mutual fund penetration has improved since 2000, but still has a long way to go

Mutual fund assets in India have seen robust growth, especially in the recent years. It also witnessed deeper penetration since the turn of the millennium, in the backdrop of a growing investor base, healthy capital market growth, ease of transactions by advancement of technology and the regulator's efforts to make mutual fund products more transparent and investor-friendly.

Mutual fund AUM as a percentage of GDP rose from 5.6% as of Fiscal 2000 to 12.8% as of Fiscal 2018. However, the industry still has tremendous potential for growth, considering a large untapped market with favourable demographics of a young population.

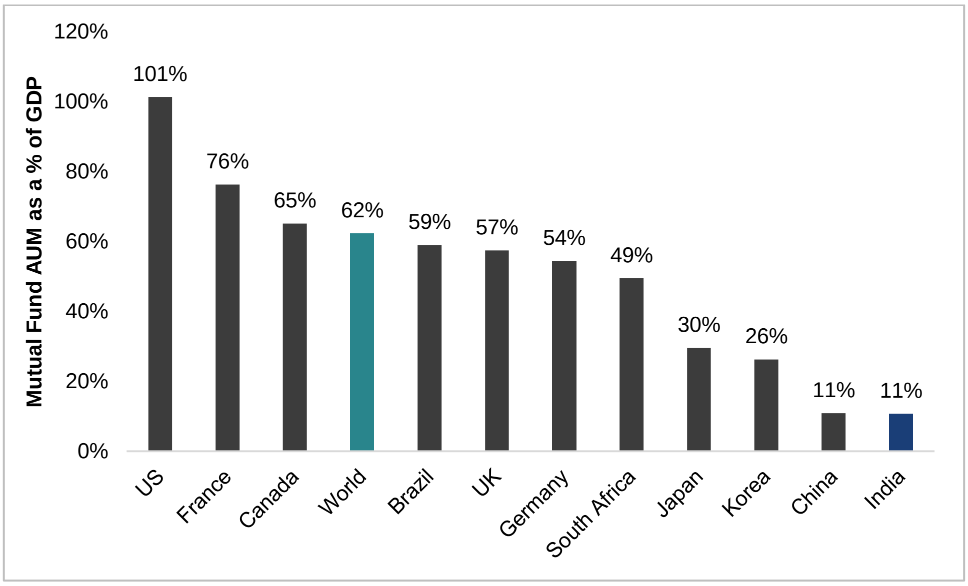
Mutual fund AUM as a percentage of GDP



Source: AMFI, IMF, RBI, CRISIL Research; Note: Based on end of Fiscal AUM and GDP at current prices; GDP for Fiscal 2018 based on 2nd revised estimates

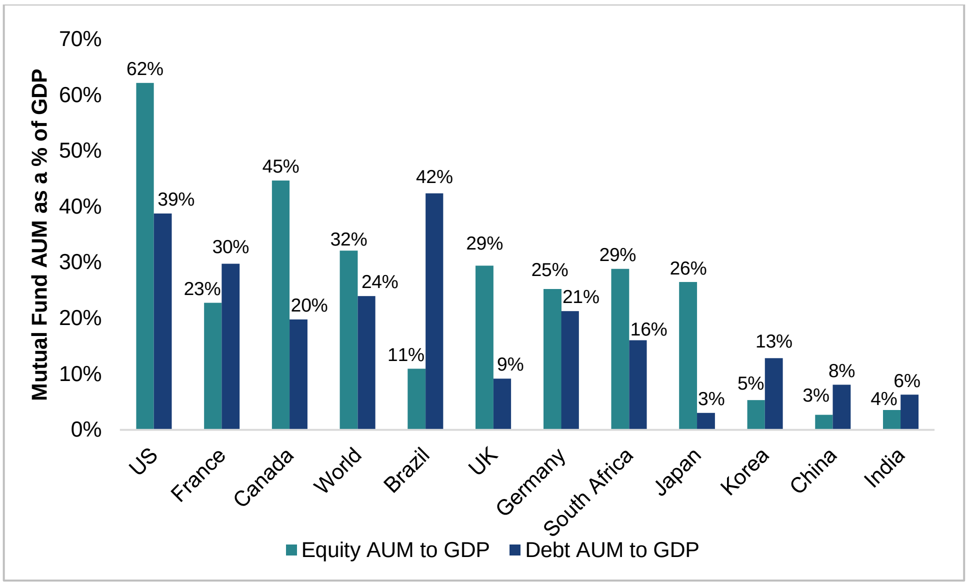
India's mutual fund penetration (AUM to GDP) is significantly lower than the world average of 62% and also lower than many developed economies like US (101%), France (76%), Canada (65%) and UK (57%) and even emerging economies like Brazil (59%) and South Africa (49%). Low penetration of mutual funds in India is also evident from the equity mutual fund AUM to market cap ratio of 4% compared with 51% in Germany, 42% in US, 27% in UK and 26% in Brazil. The relatively low penetration indicates strong growth potential going ahead as well.

Penetration of mutual funds lower than global average, but expected to improve



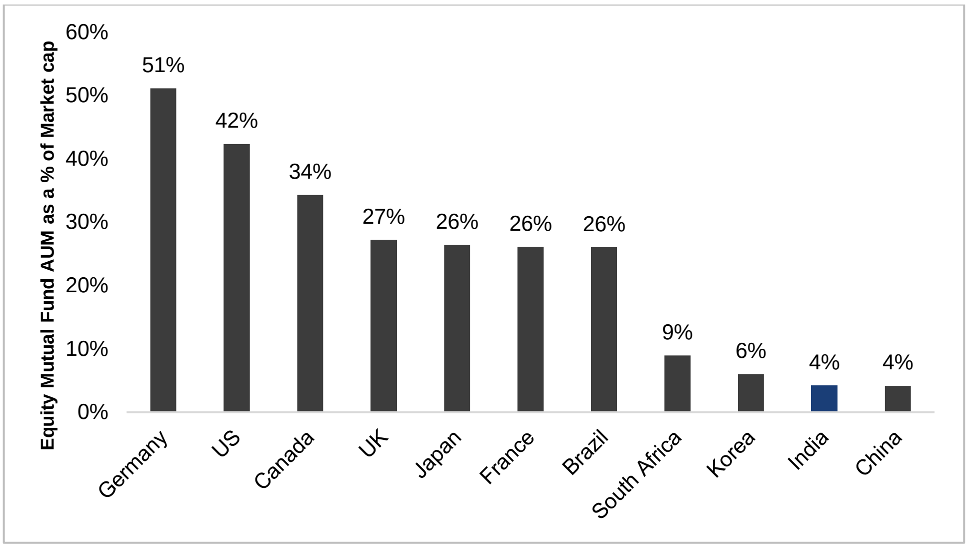
*Source: IMF, The International Investment Funds Association ("**IIFA**"), CRISIL Research; Note: data as of December 2016; Fiscal 2017 GDP and AUM as of March 2017 used for India; only open-ended funds have been considered*

India among the most under-penetrated mutual fund markets



Source: IMF, IIFA, CRISIL Research; Note: data as of December 2016; Fiscal 2017 GDP and AUM as of March 2017 used for India; only open-ended funds have been considered; balanced/mixed funds are assumed to be composed of 70% equity and 30% debt; guaranteed – protected and real estate funds have not been considered

Equity AUM to market cap across countries



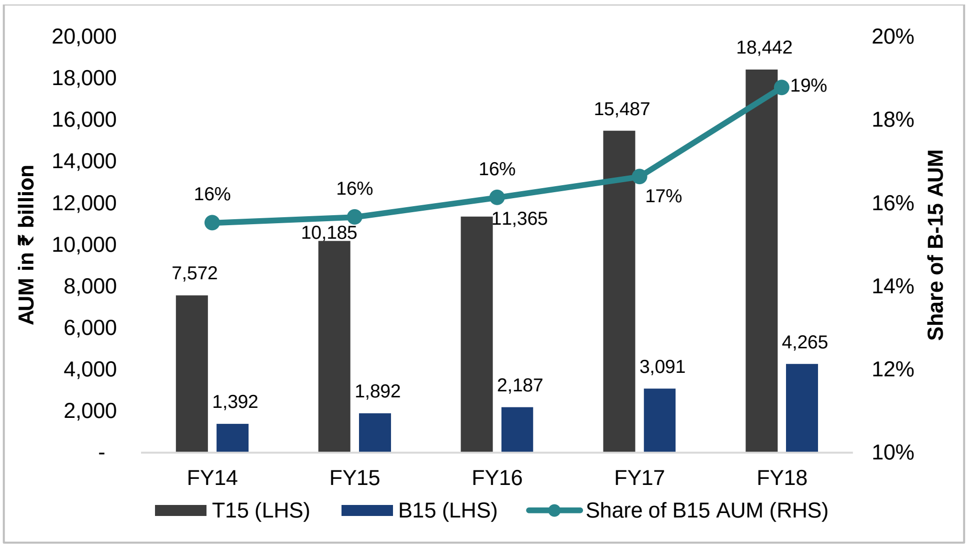
Source: IIFA, World Bank, London Stocks Exchange, Bank of England, CRISIL Research
Note: Data as of December 2016; only open-ended funds have been considered; balanced/mixed funds are assumed to be composed of 70% equity and 30% debt. Market cap for United Kingdom pertains to London Stock Exchange - Main Market

Under-penetration in smaller cities offers enormous potential for growth

The top 15 ("**T-15**") cities held the majority of the mutual fund assets with a share of 81% as of March 2018. However, assets of beyond 15 ("**B-15**") cities have grown faster at 32.3% CAGR compared with 24.9% for T-15 cities between March 2014 and March 2018. As of March 2018, the assets pertaining to B-15 cities stood at ₹4.3 trillion.

This growth in B-15 assets can be attributed partly to the SEBI's 2012 directive, allowing AMCs to charge an additional expense of 30 basis points ("**bps**") in B-15 locations. This allows fund houses to pay out higher commissions to the distributors in under-penetrated regions, incentivising them to attract more investors in these locations.

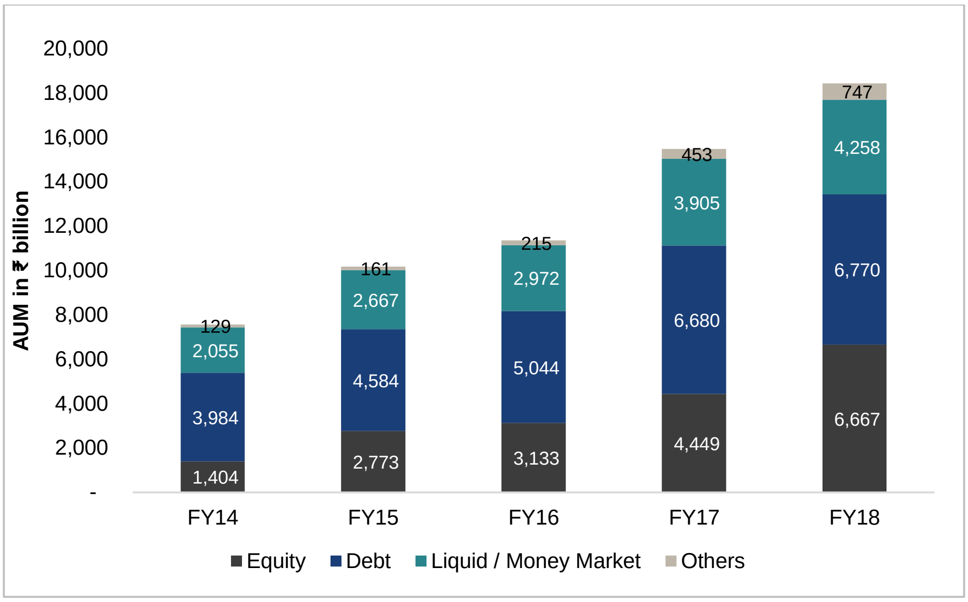
Smaller cities picking up pace, with increasing equity allocation



Source: AMFI, CRISIL Research
Note: based on monthly average AUM as of March

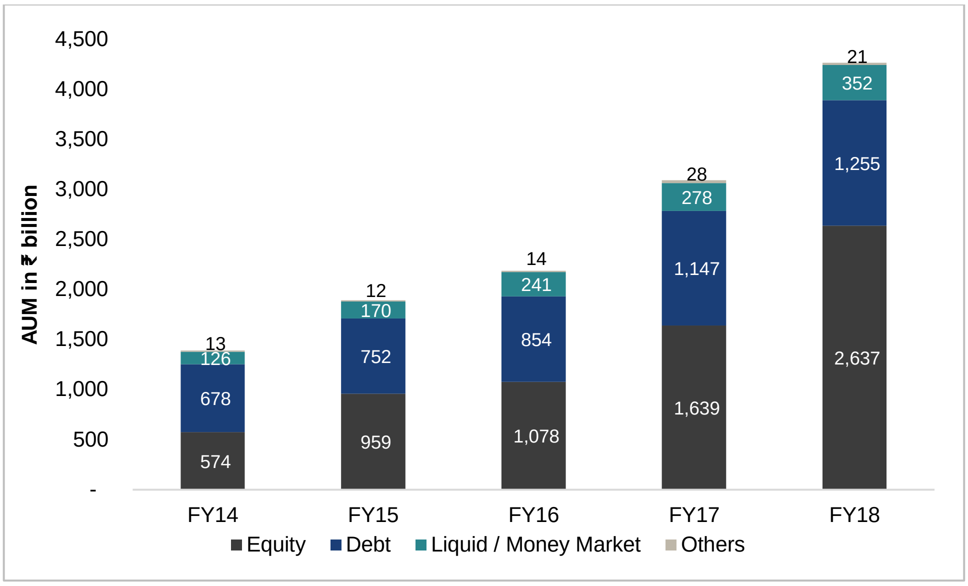
Among asset classes, the T-15 segment has greater allocation to the fixed-income segment, with debt and liquid/money market funds constituting around 60% of the total assets as of March 2018. On the other hand, asset allocation in B-15 cities is skewed towards equity-oriented schemes which constituted around 62% of assets as of March 2018. In both segments, though, allocation to equities has increased over years.

T-15 cities show higher allocation to fixed-income segment



Source: AMFI, CRISIL Research
Note: based on monthly average AUM as of March; equity includes balanced funds; others include Gold ETFs, other ETFs and FOF – investing overseas

B-15 cities allocating more to equities

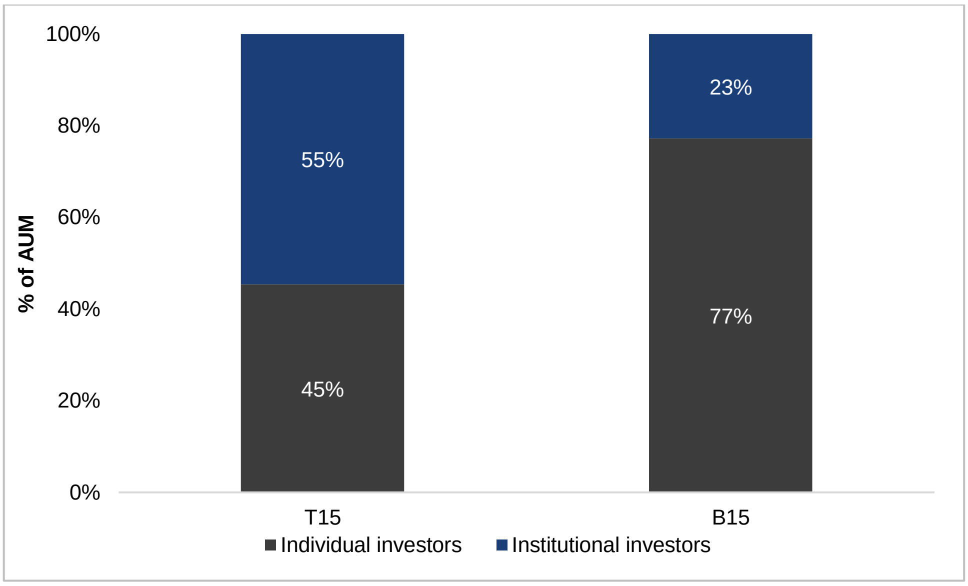


Source: AMFI, CRISIL Research Note: based on monthly average AUM as of March; equity includes balanced funds; others include Gold ETFs, other ETFs and FOF – investing overseas

The growth in AUM in B-15 cities during the recent years can predominantly be attributed to rise in participation of individual investors in smaller cities. Individual investors' AUM in B-15 cities more than tripled from ₹886 billion as of March 2014 to ₹3.3 trillion as of March 2018 and they constitute 77% of the B-15 assets.

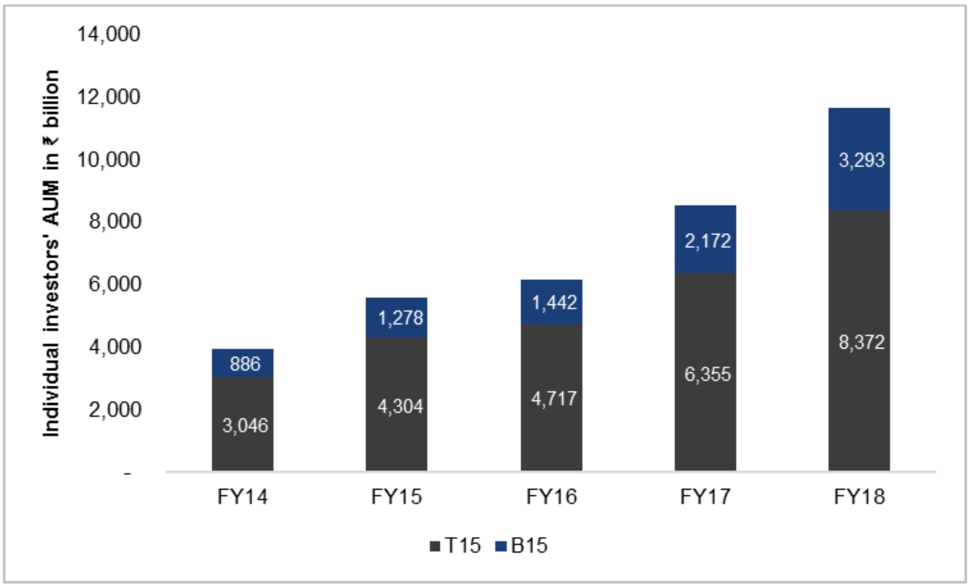
With a growing base of individual investors, the B-15 segment offers huge potential for the mutual fund industry. Measures towards financial inclusion, awareness, simplicity and ease of access to mutual fund products, combined with rising disposable incomes and a healthy savings rate will drive growth in the mutual fund industry in the coming years.

Individual investors constitute majority of AUM in B-15 cities



Source: AMFI, CRISIL Research Note: based on the monthly average AUM as of March 2018

B-15 segment witnesses growing participation from individual investors



Source: AMFI; Note: based on monthly average AUM as of March

Financial inclusion, investor education and investor-friendly regulations to boost mutual fund penetration

Growing awareness can boost acceptability of mutual funds as an investment vehicle

The current lower penetration of mutual funds in the country is largely due to the low level of awareness about this investment vehicle. The SEBI Investor Awareness Survey of 2015 showed that mutual funds/SIPs were used by only 10% of the respondents as investment and saving vehicles.

With a focus on financial inclusion, the Central government launched the Pradhan Mantri Jan Dhan Yojana. As much as 314 million accounts have been opened under this scheme as of April 4, 2018, with total deposits of ₹790 billion. The inclusion of so many people in the financial system opens the avenues for investment in capital market products, especially mutual funds, given the ease of access and flexibility of making even low-ticket investments.

Currently, mutual funds represent a very small proportion of assets compared with the traditional assets such as bank deposits and gold. It is imperative to spread awareness about mutual funds among the households through focused investor education programmes.

While equity-oriented funds can aid in long-term wealth creation, debt-oriented funds can be used to channel savings for shorter tenures. In addition, the lower effective tax rates on debt funds (for three-year holding periods), considering the highest tax slab, is an added plus.

Outstanding amount in bank deposits, mutual funds and life insurance

In ₹ Billion	March 2013	March 2014	March 2015	March 2016	March 2017	December 2017
Bank deposits^	**67,153**	**77,788**	**85,962**	**91,940**	**100,581**	**100,945**
Savings account deposits	17,581	20,126	22,355	25,518	32,451	35,799
Term deposits	49,573	57,662	63,607	66,422	68,130	65,145
Mutual fund AUM	**7,014**	**8,252**	**10,828**	**12,328**	**17,546**	**21,267**
Equity*	1,888	2,079	3,715	4,255	6,283	9,385
Debt	4,041	4,677	5,316	5,835	7,606	8,251
Liquid/Money Market	934	1,333	1,626	1,994	3,141	2,863
Gold ETFs	116	87	67	63	55	49
Other ETFs	15	45	81	161	444	704
FOF Investing Overseas	21	32	24	20	17	15
Life insurance AUM	**17,449**	**19,575**	**22,475**	**25,021**	**28,542**	**33,209**

*Source: AMFI, RBI, Insurance Regulatory and Development Authority ("**IRDAI**"), Life Insurance Council, CRISIL Research; ^ includes nationalised banks, private sector banks, foreign banks and small finance banks; * includes balanced funds*

Illustration of indexation on debt mutual funds

Description	**Fixed Deposit**	**Debt Mutual Fund**
Assumed interest rate/rate of return per annum ("**p.a.**")	6.5%	6.5%
Tenure	3 years	3 years
Indexation benefit	No	Yes
Tax rate	30%	20%
Post-tax return, p.a.	**4.6%**	**6.4%**

Note: for illustration purpose only; indexation based on cost inflation index from Fiscal 2014 to Fiscal 2017; marginal tax rate of 30% (highest slab) considered for this illustration

Summary of Taxation on Mutual Funds for Fiscal 2019

Capital Gains Tax	**Individual/ Hindu Undivided Family ("HUF")****	**Domestic Company*****	**Non-resident Indian ("NRI")****
Equity-oriented schemes			
Long term capital gains (investments held for more than 1 year)^	10%	10%	10%
Short term capital gains (investments held for 1 year or less)	15%	15%	15%
Other than equity-oriented schemes			
Long term capital gains (investments held for more than 3 years)	20%^^	20%^^	Listed - 20%^^ Unlisted - 10%
Short term capital gains (investments held for 3 years or less)	As per income tax slab	30%/25%*	As per the tax slab

*Note: As per the Finance Act, 2018; ^ for capital gains exceeding ₹1 lakh; ^^ with indexation; * for companies with total turnover or gross receipts during Fiscal 2017 not exceeding ₹250 crore; ** Surcharge of 15% on base tax, is applicable where income is more than ₹1 crore and 10% where income is more than ₹50 lakhs but does not exceed ₹1 crore; *** Surcharge at 7% on base tax is applicable where income exceeds ₹1 crore but does not exceed 10 crores and at 12% where income exceeds ₹10 crores; Health and Education Cess of 4% is levied on aggregate of base tax and surcharge; Capital gains tax for NRIs deducted at source; Securities Transaction Tax is charged at redemption/switch of units of equity-oriented schemes.*

Tax on Distributed Income^	**Individual/HUF**	**Domestic Company**	**NRI**
Equity-oriented schemes	10%	10%	10%
Money market or Debt schemes (except infrastructure debt fund)	25%	30%	25%
Infrastructure Debt Fund	25%	30%	5%

Note: As per the Finance Act, 2018; ^ An additional surcharge of 12% is levied on base tax and Health and Education Cess of 4% is levied on aggregate of base tax and surcharge

Spending on investor awareness rising

To boost awareness among investors, the SEBI has directed AMCs to annually set aside at least 2 bps of daily net assets for investor education and awareness initiatives. It has also allowed celebrity endorsements at the industry level to boost the awareness of mutual funds among investors. In recent times, we have also seen regular advertisement campaigns with the tag line "Mutual Funds Sahi Hai" targeted towards investor awareness. With the industry's AUM increasing rapidly, the amount being set aside for investor awareness is also expected to increase, thereby enabling deeper penetration among new investors.

Regulations to incentivise investments in smaller cities

The capital markets regulator has introduced new norms in 2012 that allow cash transactions in mutual funds up to ₹20,000 per mutual fund, per financial year, especially to enable small-scale investors without a PAN to invest. In 2014, the limit was increased to ₹50,000. In 2012, the regulator allowed AMCs to charge an additional total expense ratio of 30 bps, depending on the extent of new fund inflow from B-15 cities. With the AUM from B-15 cities reaching 19% of the total AUM (as of March 2018), SEBI, in February 2018, has permitted the additional 30 bps total expense ratio to be charged in beyond 30 ("**B-30**") cities instead of B-15 cities. These measures are expected to enhance participation from smaller towns.

Retirement money can be a big impetus

Retirement planning has a huge potential for getting tapped in India and, if channelled through mutual funds, can significantly improve penetration among greater number of Indian households. In India, the EPFO's move to invest a portion of its money (currently 15%) through exchange-traded funds provides a boost to the industry. Further, the penetration of mutual funds as a vehicle for retirement planning in a country with a relatively younger population will give a boost to the industry.

Tax benefits on equity-linked savings scheme ("ELSS") a huge draw

An ELSS refers to tax-saving mutual funds that aid saving of income tax on investment up to ₹1.5 lakh under Section 80C of the Income Tax Act, 1961. These funds have a lock-in period of three years and invest their portfolio in the equity markets. Over the past five financial years, many of the ELSS funds have outperformed the broader indices and have attracted individual investors. AUM for ELSS grew at a CAGR of 28.8% from ₹227 billion as of March 2013 to ₹806 billion as of March 2018.

Guidelines on categorisation of schemes to make investing easier

In October 2017, the SEBI has issued guidelines for categorisation of mutual fund schemes in the equity, debt and hybrid space to draw a clear distinction between different schemes in terms of asset allocation and investment strategy. These guidelines are mainly aimed at reducing the number of identical schemes in each category and make it easier for investors to evaluate different options available. Better clarity and comparability will help investors take more informed decisions before investing in mutual funds.

Technology to be a key enabler for growth

Technology is expected to play a pivotal role in taking the financial sector to the next level, by helping surmount the challenges stemming from India's vast geography and the fact that physical footprints in smaller locations are commercially unviable. Technology also gels well with India's demographic structure, where the median age is less than 30 years and these youth segments are tech savvy and are at ease with using technology to conduct the entire gamut of financial transactions. With increase in smartphone penetration and faster data speeds, there is a push from the consumer side for digitalisation, as they are increasingly finding these digital platforms more convenient. Digitalisation will help improve efficiency and optimise cost, and players with better mobile and digital platforms will draw more customers and will emerge out as winners in the long term.

Technology platforms enhance ease of access to mutual fund products

In May 2017, the SEBI allowed investments up to ₹50,000 per mutual fund per financial year through digital wallets. Given the rise in the penetration of smartphones and greater adaption of technology platforms by our young population, measures such as these can make mutual fund products more easily available to investors.

The growth of AUM through the direct route can also be partially attributable to ease of transactions facilitated by online portals, including mobile applications. While the direct route is mainly used by institutional investors, we have seen a gradual increase in the share of individual investors through this route. Also, the introduction of the MF Utility platform, which allows investors to transact on schemes of multiple fund houses through a single window, has made it easier for investors to transact in mutual fund schemes.

Instant access facility a viable alternative to savings account

The SEBI, through a circular in May 2017, allowed mutual funds to offer instant access facility via online mode of up to ₹50,000 or 90% of the folio value, whichever is lower, to individual investors in liquid schemes. This regulation will offer instant redemption to the liquid fund investors, which is generally used by investors to park their money for shorter time frames. While this category of mutual funds is currently dominated by institutional investors, introduction of the instant access facility will encourage individual investors to park their excess money in liquid funds instead of savings account. Earlier, investors had to wait for a day to get their redemption money.

Competitive Scenario

Representation of assets

Top five players have the lion's share in industry assets

As of Fiscal 2018, the mutual fund industry comprised 41 players, of which, 25 are sponsored by private companies, seven each are sponsored by public and foreign institutions, and two are sponsored by financial institutions.

ICICI Prudential Mutual Fund and HDFC Mutual Fund together had over a fourth of the industry's AUM as of March 2018. The top five players, based on annual average AUM ("**AAAUM**") each year, have shown a steady increase in share of AUMs, with their share increasing from 55% in Fiscal 2014 to 57% in Fiscal 2018. The AUM share of the next five AMCs stood at 24% as of March 2018. Overall, the top 10 AMCs had an asset base of ₹18.6 trillion (quarterly average AUM), implying 81% of the industry's AUM.

AUM share of top 10 players

Mutual fund	**Quarterly Average AUM as of March 2018**		**Month-end AUM as of March 2018**	
	₹ billion	**% of industry's AUM**	**₹ billion**	**% of industry's AUM**
Top 5				
ICICI Prudential Mutual Fund	3,057	13.3%	2,913	13.6%
HDFC Mutual Fund	3,005	13.0%	2,917	13.7%
Aditya Birla Sun Life Mutual Fund	2,475	10.7%	2,301	10.8%
Reliance Mutual Fund	2,449	10.6%	2,261	10.6%
SBI Mutual Fund	2,176	9.4%	2,054	9.6%
Total of Top 5	**13,164**	**57.1%**	**12,445**	**58.3%**
Next 5				
UTI Mutual Fund	1,549	6.7%	1,360	6.4%
Kotak Mahindra Mutual Fund	1,247	5.4%	1,151	5.4%
Franklin Templeton Mutual Fund	1,032	4.5%	993	4.6%
DSP BlackRock Mutual Fund	863	3.7%	821	3.8%
Axis Mutual Fund	773	3.4%	669	3.1%
Total of Next 5	**5,464**	**23.7%**	**4,994**	**23.4%**
Total of Top 10	**18,628**	**80.8%**	**17,439**	**81.6%**

Source: AMFI, AMC websites, CRISIL Research Note: does not include FOF – domestic; Top 10 AMCs based on AAAUM for Fiscal 2018; Sorted based on quarterly average AUM as of March 2018; Sum of AMCs' AUM and market share might not match with total due to rounding off

The trend analysis of the market shares of top five players indicates that HDFC Mutual Fund, ICICI Prudential Mutual Fund and Reliance Mutual Fund have consistently maintained the top three positions during the past five Fiscals, with a combined share of around 37%. While Aditya Birla Sun Life Mutual Fund consistently stayed in the fourth position with around 10% share, SBI Mutual Fund replaced UTI Mutual Fund as the fifth largest fund house in Fiscal 2017.

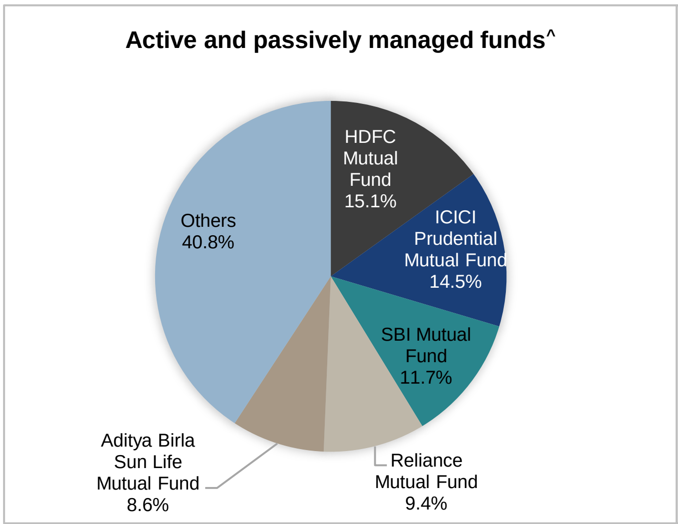
HDFC Mutual Fund has the highest share of equity AUM, followed by ICICI Prudential Mutual Fund

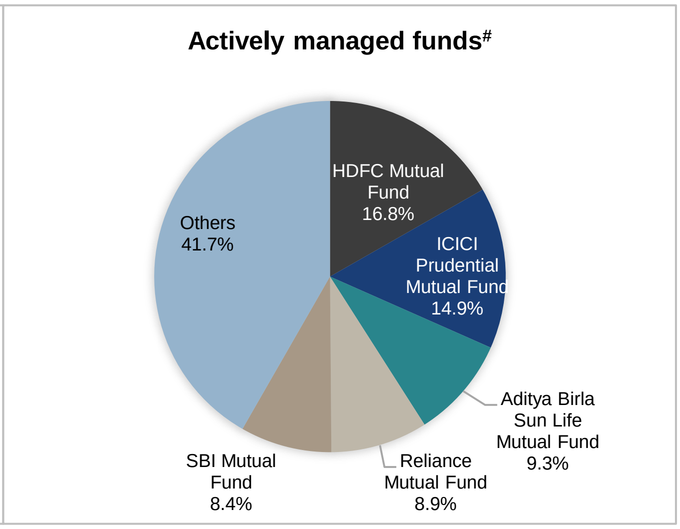
In terms of AUM of equity-oriented funds (including balanced funds and equity ETFs), HDFC Mutual Fund topped the list with 15.3% (based on quarterly average AUM) and 15.1% (based on month-end AUM) share as of March 2018. ICICI Prudential Mutual Fund had the second largest share with 14.6% and 14.5% based on quarterly average and month-end AUM respectively as on March 2018. HDFC Mutual Fund and ICICI Prudential Mutual fund retained top positions in the share of actively managed equity-oriented funds (excluding

ETFs, index and arbitrage funds) too, with market share of 17.1% and 14.8%, respectively based on quarterly average AUM and 16.8% and 14.9% respectively based on month-end AUM.

Equity assets are considered to be sticky, as they are generally held for longer periods compared with debt and liquid/money market. The dominance of the large players in the equity space places them in a position of relative strength compared with smaller players. Overall, the top five players had a share of around 59% of the industry's AUM of equity-oriented funds.

AUM share of top 5 AMCs in equity-oriented funds – based on month-end AUM as of March 2018



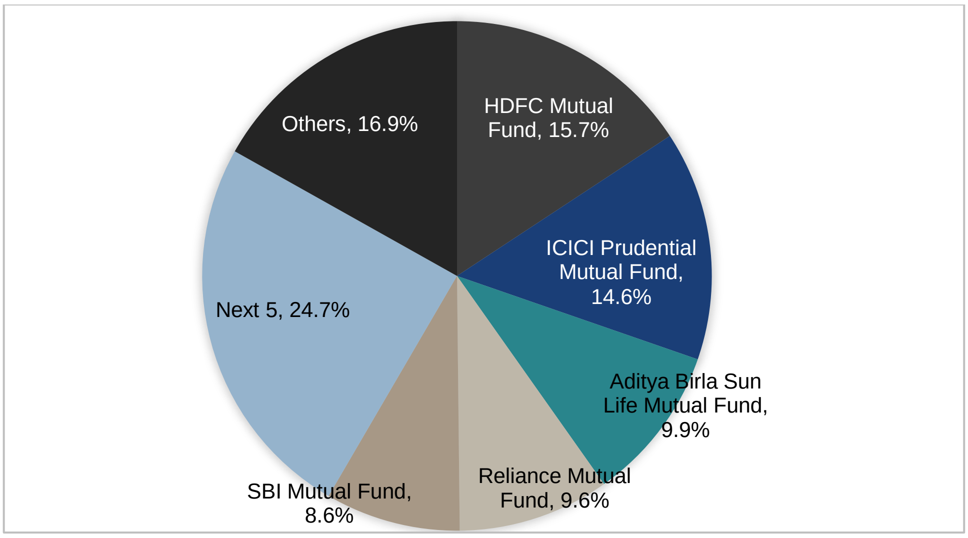


Source: AMFI, AMC websites, CRISIL Research; Note: ^ includes balanced funds and equity ETFs; # includes balanced funds and does not include ETFs, index and arbitrage funds

HDFC Mutual Fund leads in share of individual investors' AUM, ICICI Prudential Mutual Fund second

While HDFC Mutual Fund has the highest share of equity assets, its position in the equity category can also be partly attributable to its high market share in individual investor category, which predominantly invests in equity-oriented funds. As of March 2018, HDFC Mutual Fund had the highest market share (15.7%) among individual investors' assets, followed by ICICI Prudential Mutual Fund (14.6%) and Aditya Birla Sun Life Mutual Fund (9.9%). The top five AMCs together had a 58.4% share in individual investors' AUM. A high market share in this category is considered a strong positive, as the AUM, especially equity, tends to have longer holding periods.

Market share of large AMCs in individual AUM, as of March 2018

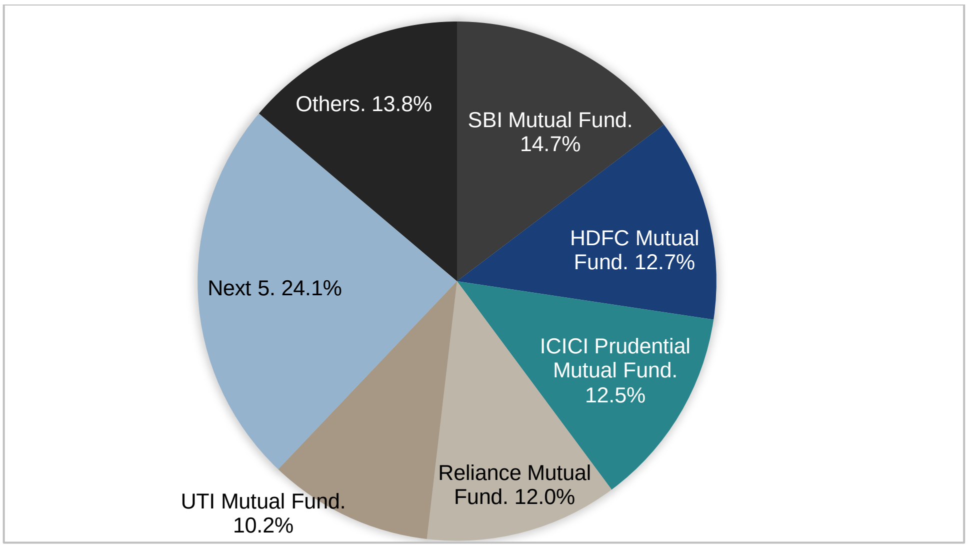


Source: AMFI, CRISIL Research; Note: based on monthly average AUM; does not include FOF – domestic

SBI Mutual Fund leads in B-15 asset share, followed by HDFC Mutual Fund

Among ₹4.3 trillion of assets from B-15 cities as of March 2018, the top five AMCs managed around 62% of the AUM. SBI Mutual Fund had the highest market share of 14.7%, followed by HDFC Mutual Fund (12.7%) and ICICI Prudential Mutual Fund (12.5%). An increase in financial literacy through programmes focussed towards investor education, increasing financial literacy and the regulator's directive in 2012, allowing mutual fund houses to charge 30 bps of additional expenses in B-15 (changed B-30 cities in February 2018) locations, will drive growth in assets from smaller cities. The existing high market share of these large players puts them in a relatively stronger position compared with smaller ones to build their asset base in smaller cities.

Market share of large AMCs in B-15 AUM – as of March 2018



Source: AMFI, CRISIL Research; Note: Based on monthly average AUM; does not include FOF – domestic

Growth in revenue and profitability

HDFC AMC tops in terms of revenue, followed by Reliance Nippon Life AMC

Over the past five Fiscals, HDFC Asset Management Company Limited ("**HDFC AMC**") consistently maintained the top position in the industry in terms of total revenue. This was primarily because of a higher share in equity assets. As of Fiscal 2017, the revenue was ₹15.9 billion. This was followed by Reliance Nippon Life Asset Management Company Limited ("**Reliance Nippon Life AMC**") and ICICI Prudential Asset Management Company Limited ("**ICICI Prudential AMC**") with ₹14 billion and ₹13.5 billion, respectively. Overall, the revenue of the top five players grew at a CAGR of 21.8% between Fiscals 2013 and 2017. The top five players accounted for over half of the industry's revenue in the past five years.

Reliance Nippon Life AMC and HDFC AMC had the highest revenue-to-AUM ratio

Among the top five players, Reliance Nippon Life AMC and HDFC AMC consistently reported higher revenues as a percentage of AAAUM in the past five financial years, indicating superior strength in the top-line. The average of revenues as a % AAUM and operating revenues as a % of AAUM for the top five players as of Fiscal 2017 stood at 64 bps and 60 bps, respectively.

HDFC AMC leads in profits too, followed by ICICI Prudential AMC

Commensurate with the trend in revenue, HDFC AMC consistently maintained the top position in terms of profit before tax and other income. As of Fiscal 2017, its tally was at ₹6.92 billion, followed by ICICI Prudential AMC and Reliance Nippon Life AMC with ₹6.86 billion and ₹4.51 billion, respectively. Overall, the profit before tax and other income for the top five players grew at a CAGR of 24.3% between Fiscals 2013 and 2017.

A similar trend was observed in reported net profits, too. The cumulative net profit for the top five AMCs grew at a CAGR of around 20% between Fiscals 2013 and 2017. However, its share in the industry's net profit came down from 97% in Fiscal 2013 to 64% in Fiscal 2017. This indicates the industry on the whole has improved significantly on profitability, with smaller players breaking even.

ICICI Prudential, HDFC the most profitable among top 5 AMCs

Overall, the industry turned more efficient, because of lower incremental cost on additional AUM. The average profitability of the top five players improved by around 400 bps in the past five Fiscals. On average, the top five AMCs earned around 25 bps as profit before tax and other income to AAAUM as of Fiscal 2017. Among them, HDFC AMC had the highest, with a 32 bps operating profit to AAAUM.

The table below highlights the key competitive metrics for Fiscal 2017 of the top five asset management companies:

Revenue & Profitability	HDFC AMC	Reliance Nippon Life AMC	ICICI Prudential AMC	Aditya Birla Sun Life AMC	SBI Funds Management Private Limited ("SBI AMC")	Total of Top 5/Average % of Top 5
Total revenues (₹ million)	15,879	14,004	13,497	9,870	7,779	Total of Top 5: **61,030**
Total revenues as a % of AAUM	0.73%	0.74%	0.61%	0.57%	0.57%	Average % of Top 5: **0.64%**
Operating revenues as a % of AAUM	0.68%	0.67%	0.59%	0.54%	0.54%	Average % of Top 5: **0.60%**
Profit before tax and other income (₹ million)	6,919	4,513	6,858	2,861	2,884	Total of Top 5: **24,036**
Net profit (₹ million)	5,502	4,048	4,805	2,211	2,243	Total of Top 5: **18,809**
Net profit as a % of total revenues	34.7%	28.9%	35.6%	22.4%	28.8%	Average % of Top 5: **30.1%**
Net profit as a % of AAUM	0.25%	0.21%	0.22%	0.13%	0.16%	Average % of Top 5: **0.20%**
Profit before tax and other income as % of AAUM	0.32%	0.24%	0.31%	0.16%	0.21%	Average % of Top 5: **0.25%**
Revenue share	13.5%	11.9%	11.5%	8.4%	6.6%	Total of Top 5: **51.9%**
Operating revenue share	13.5%	11.6%	11.9%	8.6%	6.7%	Total of Top 5: **52.4%**
Net profit share	18.8%	13.8%	16.4%	7.6%	7.7%	Total of Top 5: **64.2%**

Source: Annual reports, Websites of AMCs/ parent companies, AMFI, CRISIL Research; Note: Top 5 AMCs based on annual average AUM as of Fiscal 2018

The table below highlights the key competitive metrics for Fiscal 2018 of the top five asset management companies:

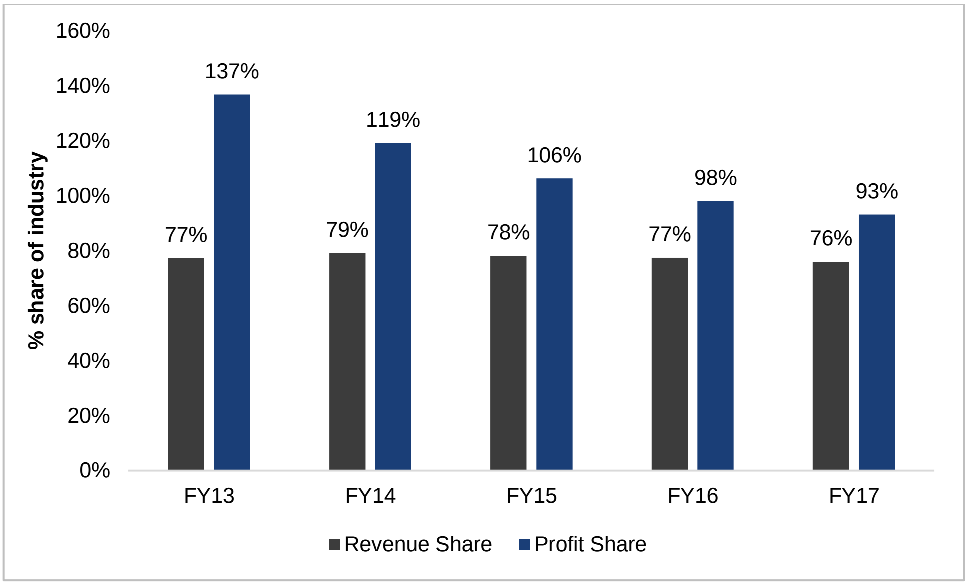
Revenue & Profitability	HDFC AMC	Reliance Nippon Life AMC	ICICI Prudential AMC	Aditya Birla Sun Life AMC	SBI Funds Management Private Limited ("SBI AMC")
Total revenues (₹ billion)	18.67	17.46	18.97	12.61	Not Available ("**NA**")
Total revenues as a % of AAUM	0.67%	0.74%	0.67%	0.55%	NA
Operating Revenues (₹ billion)	NA	15.32	18.19	12.16	NA
Operating revenues as a % of AAUM	NA	0.65%	0.64%	0.53%	NA
Profit before tax and other income (₹ billion)	NA	4.93	8.71	4.39	NA
Net profit (₹ billion)	7.22	5.05	6.26	3.22	3.31
Net profit as a % of AAUM	0.26%	0.21%	0.22%	0.14%	0.17%
Profit before tax and other income as % of AAUM	NA	0.21%	0.31%	0.19%	NA
Total Expenses (₹ billion)	8.05	10.39	9.47	7.77	NA
Total Expenses as % of AAUM	0.29%	0.44%	0.33%	0.34%	NA

Source: Annual reports, quarterly financial statement, websites and investor presentations of companies/parent companies, notices of stock exchanges, AMFI, CRISIL Research; Note: Top 5 AMCs based on annual average AUM for Fiscal 2018

Consolidation in the industry

While the industry has seen an increase in the number of mutual fund players, it has also witnessed consolidation, especially in the mid-sized and smaller AMCs. The larger players (top 10) enjoy the lion's share not only in the industry's assets but also in terms of revenue and profit. Interestingly, the net profit share of the top 10 players was higher than the overall net profit of the industry until Fiscal 2015. This indicates that some of the mid-sized and smaller players have not been able to remain afloat in terms of profitability.

Revenue and profit share of top 10 players



Source: AMC annual reports, CRISIL Research Note: Top 10 AMCs based on average AUM from Fiscal 2013 to Fiscal 2017

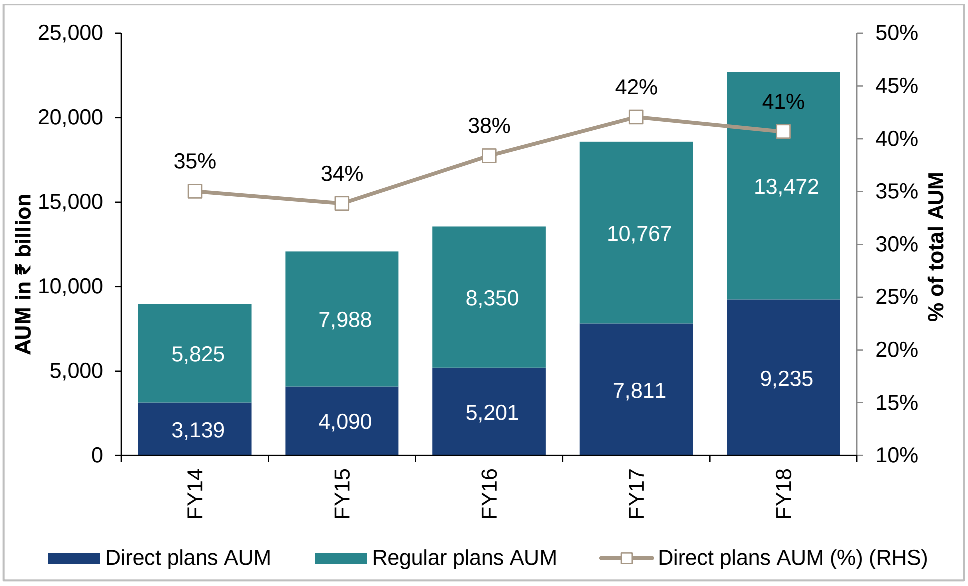
Investment Channels

Direct route gaining steam, boosted by the ease of access in the online channel

For the benefit of investors, in September 2012 the SEBI mandated mutual fund houses to offer their products through the direct route alongside distributors. AMCs started offering direct plans since January 2013, and investors have been quick to accept this route.

Assets under the direct plan have grown at an annualised 30.9% between March 2014 and March 2018 to ₹9.2 trillion. The share of direct plans' AUM has risen to 41% from 35% of the industry's AUM. The integration of user interface through online channels has provided an additional push for growth in direct-plan assets.

Growth of AUM through direct plans since March 2014



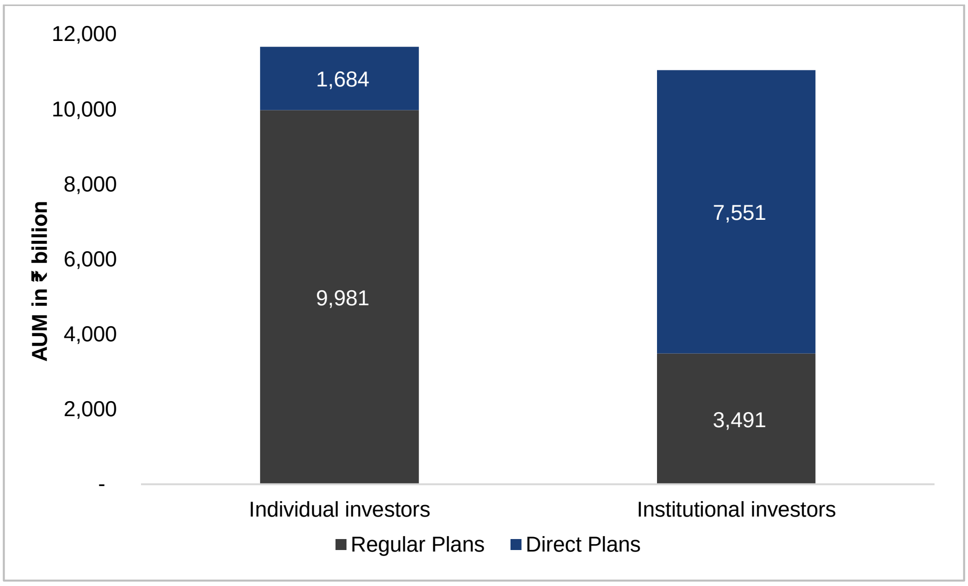
Source: AMFI, CRISIL Research; Note: based on monthly average AUM as of March

Regular plans have a higher share of equity assets, with high preference among individual investors; institutional investors prefer the direct route

Institutional investors, who predominantly invest in debt and liquid/money-market schemes, were quicker to adapt to the direct route of investing. As of March 2018, around 68% of the institutional investors' assets were through direct plans. Individual investors, on the other hand, who invest predominantly in equity, have a higher preference for hand-holding by distributors. As of March 2018, 86% of the individual investors' assets were through regular plans.

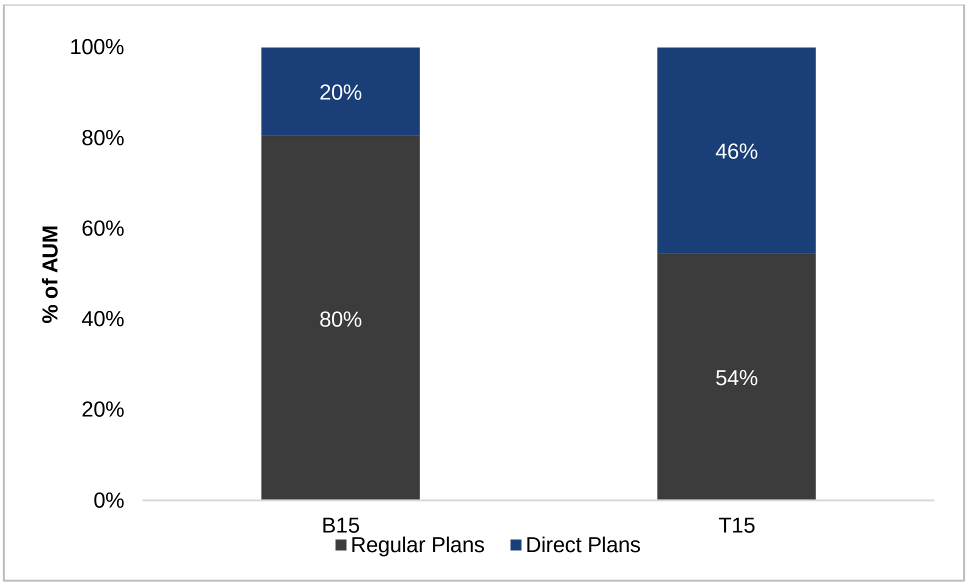
Looking at the asset classes, the majority of the AUM of equity-oriented schemes were through regular plans, while liquid/money-market funds and others ETFs segments were predominantly invested through direct plans.

Regular and direct plans' split for individual and institutional investors' AUM



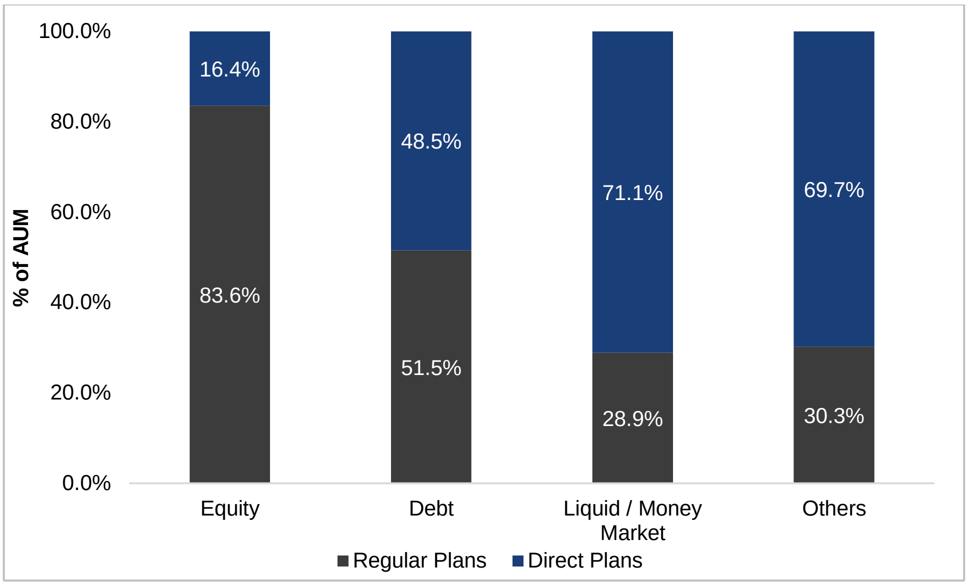
Source: AMFI, CRISIL Research; Note: based on monthly average AUM as of March 2018

Regular plans have higher share of B-15 assets



Source: AMFI, CRISIL Research; Note: based on monthly average AUM as of March 2018

Regular plans constitute majority of equity assets



Source: AMFI, CRISIL Research; Note: based on monthly average AUM as of March 2018; equity includes balanced funds; others include Gold ETFs, other ETFs and FOF - investing overseas

Key Challenges

Low level of financial awareness

Low financial literacy and lack of awareness, unless addressed properly, will inhibit the industry's growth. Mutual funds and other market-linked products remain push products in India and regular connect plays a huge role in fostering trust, retaining investors and attracting more investment. However, until such time investors remain unaware of concepts such as financial planning and asset allocation, money will flow into traditional products such as fixed deposits, gold and real estate. Development of new distribution channels, government support through schemes such as Jan Dhan Yojana and greater focus on retirement planning will help the mutual fund industry realise its potential.

Competition from other financial instruments

In recent years, there has been a gradual movement away from physical savings to financial savings. However, within financial savings, the skew towards fixed deposits is very high at 62% of gross financial savings in Fiscal 2017. While the allocation to mutual funds has shown growth in the recent years, the penetration remains low and its huge potential remains untapped.

Further, products offered by insurance companies, such as unit-linked investment products ("**ULIPs**"), also compete with mutual funds for market share. ULIPs are market-linked products that provide the dual benefits of protection and long-term savings.

Retail expansion at a reasonable cost

Expansion into B-15 cities would require mutual funds to invest in marketing and distribution channels. The additional marketing expenses can put pressure on the profit margins of mutual fund houses. Therefore, it would be imperative for the industry to utilise innovative measures such as leveraging technology to ease out Know Your Customer ("**KYC**") and other processes. Further, the existing branch networks of India Post and the public sector banks can be better utilised as a means to facilitate inclusive and equitable growth.

OUR BUSINESS

We have included various operational and financial performance indicators in this Prospectus, some of which may not be derived from our Restated Financial Statements or otherwise subjected to an examination, audit or review by our auditors or any other expert. The manner in which some of the operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other asset management companies in India and other jurisdictions. For the purposes of this section of the document, for certain analysis we have used the historical methodology and internal categorization to enable a consistent representation of our business. Some of these numbers may vary from similar information presented publicly in compliance with applicable regulations in India, which is also reflected in our Restated Financial Statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

*Unless otherwise specified in this section, references to "our assets under management ("**AUM**")" or words of similar import refers to the AUM of HDFC Mutual Fund that we manage. Unless otherwise specified in this section, references to "our schemes" or words of similar import refers to the mutual fund schemes of HDFC Mutual Fund. Unless otherwise specified in this section, references to "equity-oriented AUM" or words of similar import refers to the mutual fund equity-oriented AUM of HDFC Mutual Fund and excludes exchange traded schemes and funds of funds.*

Overview

We have been the most profitable asset management company in India in terms of net profits since Fiscal 2013, according to CRISIL. We had a total AUM of ₹2,919.85 billion as of March 31, 2018. Our profits have grown every year since the first full year of operations in Fiscal 2002. We have been the largest asset management company in India in terms of equity-oriented AUM since the last quarter of Fiscal 2011 and have consistently been among the top two asset management companies in India in terms of total average AUM since the month of August 2008, according to CRISIL.

As of March 31, 2018, our equity-oriented AUM and non-equity-oriented AUM constituted ₹1,497.13 billion and ₹1,422.73 billion, respectively, of our total AUM. Our actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) constituted ₹1,449.25 billion of our total AUM as of March 31, 2018. Our AUM has grown at a compounded annual growth rate ("**CAGR**") of 25.5% between March 31, 2013 and March 31, 2018. Our proportion of equity-oriented AUM to total AUM was at 51.3%, which was higher than the industry average of 43.2%, as of March 31, 2018, according to CRISIL. As equity-oriented schemes generally have a higher fee structure compared to non-equity-oriented schemes, according to CRISIL, our product mix helps us achieve higher profits. As of March 31, 2018, our market share of total AUM was 13.7% and of actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) was 16.8% among all asset management companies in India, according to CRISIL. We have received several awards for our operations, such as the Equity Fund House of the year award for 2017 at the Outlook Money Awards in 2018.

We operate as a joint venture between Housing Development Finance Corporation Limited ("**HDFC**") and Standard Life Investments Limited ("**SLI**"). HDFC is one of India's leading housing finance companies. HDFC group has emerged as a recognized financial conglomerate in India, with presence in housing finance, banking, life and non-life insurance, asset management, real estate funds and education finance.Listed companies of the HDFC group include HDFC Limited, HDFC Bank Limited, HDFC Standard Life Insurance Company Limited and GRUH Finance Limited, which had market capitalizations of US$46.87 billion (₹3,209.38 billion), US$80.19 billion (₹5,490.74 billion), US$13.41 billion (₹918.01 billion) and US$3.25 billion (₹222.47 billion), respectively, as of June 30, 2018. SLI is an indirect subsidiary of Standard Life Aberdeen plc ("**Standard Life Aberdeen**"), one of the world's largest investment companies, created in 2017 from the merger of Standard Life plc and Aberdeen Asset Management PLC. SLI operates within the brand Aberdeen Standard Investments, with its investment arm managing £575.7 billion (₹49,666.50 billion) of assets as of December 31, 2017, making it one of the largest active managers in Europe. Standard Life Aberdeen is listed on the London Stock Exchange and had a total market capitalization of £9.70 billion (₹876.72 billion) as of June 30, 2018. We believe that our strong parentage and trusted brand enhances our appeal and provides confidence to our customers.

We offer a large suite of savings and investment products across asset classes, which provide income and wealth creation opportunities to our customers. As of March 31, 2018, we offered 133 schemes that were classified into 27 equity-oriented schemes, 98 debt schemes (including 72 fixed maturity plans ("**FMPs**")), three liquid schemes, and five other schemes (including exchange-traded schemes and funds of fund schemes). This diversified product mix provides us with the flexibility to operate successfully across various market cycles, cater to a wide range of customers from individuals to institutions, address market fluctuations, reduce concentration risk in a particular asset class and work with diverse sets of distribution partners which helps us expand our reach. We also provide portfolio management and segregated account services, including discretionary, non-discretionary and advisory services, to high net worth individuals ("**HNIs**"), family offices, domestic corporates, trusts, provident funds and domestic and global institutions. As of March 31, 2018, we managed AUM of ₹64.74 billion as part of our portfolio management and segregated accounts services' business. Additionally, as part of our portfolio management and segregated accounts services we provide non-binding investment advisory services to a fund which had an AUM of ₹4.69 billion as of March 31, 2018 and is managed by Standard Life Investments Global SICAV.

Our diverse product offerings and services allows us to reach out to a large segment of the Indian mutual fund market and develop a broad individual focussed customer base. We had a total number of Live Accounts of 8.10 million as of March 31, 2018, and our Monthly Average AUM ("**MAAUM**") from individual customers accounted for 62.2% of our MAAUM, compared to the industry average of 51.4%, for the same period, according to CRISIL. Our diverse schemes target varying customer requirements and risk profiles, and has helped us attract a growing individual-focused customer base. Our offering of systematic transactions further enhances our appeal to individual customers. Systematic transactions have gained significance among individual customers, according to CRISIL, and we had a monthly flow of over ₹11.5 billion through approximately 3.16 million systematic transactions as of March 31, 2018. We endeavour to stay relevant to our customers by providing them with need-based product solutions to meet their financial goals as well as continued customer support and engagement through various distribution channels.

A key element of our strategy is to promote a customer-centric culture that spans across all aspects of our business. As of March 31, 2018, we served customers in over 200 cities through our pan-India network of 209 branches (and a representative office in Dubai) and service centres of our registrar and transfer agent ("**RTA**"), which is supported by a strong and diversified network of over 65,000 empaneled distribution partners across India, consisting of independent financial advisors ("**IFAs**"), national distributors and banks. As of March 31, 2018, IFAs, national distributors and banks generated 27.6%, 21.0%, 17.3% of our total AUM, respectively, while the remaining 34.1% was invested in direct plans. In terms of our equity-oriented AUM, IFAs, national distributors and banks generated 39.2%, 24.2%, 19.1% of our equity-oriented AUM, respectively, while the remaining 17.5% was invested in direct plans, as of March 31, 2018. We believe that we are at the forefront of leveraging technology in the Indian asset management sector, with a focus on digitization to transform sales, customer on-boarding and internal processes. We believe that our focus on technology has enriched our customers' experience and has enhanced the productivity of our employees and distributors. We offer our products and services through our online portal, HDFC MFOnline and mobile applications, both of which have become increasingly relevant to our business in recent years.

We have an established track record of delivering robust financial performance. Our total revenue increased from ₹9,031.14 million in Fiscal 2014 to ₹18,672.46 million in Fiscal 2018, with a CAGR of 19.91%, and our net profit has grown from ₹3,577.70 million to ₹7,216.16 million during the same period at a CAGR of 19.17%. Our Dividend Payout Ratio increased from 41% in Fiscal 2014 to 56% in Fiscal 2018 and we paid a dividend of ₹3,368.88 million in Fiscal 2018 compared to ₹1,262.04 million in Fiscal 2014. We had a net worth of ₹21,599.68 million as of March 31, 2018. Our return on average net worth exceeded 40% every year since Fiscal 2014 and was 40.28% for Fiscal 2018.

Recent Development

Scheme Re-categorization

The Securities and Exchange Board of India ("**SEBI**") through its circulars dated October 6, 2017 and December 4, 2017 require mutual funds managed by asset management companies to follow scheme characterizations based on the scheme's objective among other features. Prior to the circulars, mutual fund schemes were broadly categorized into four categories as described elsewhere in this Prospectus. To comply with these SEBI circulars, starting May 2018, our mutual fund schemes in tranches were categorized into the following broad categories:

1. Equity schemes
2. Debt schemes
3. Hybrid schemes
4. Solution oriented schemes
5. Other schemes

To implement this categorization we merged few of our schemes and changed fundamental attributes of some of our schemes. Accordingly, the categorization of our schemes as of March 31, 2018 and periods prior to that as disclosed in this Prospectus are not comparable to our scheme categorization going forward. See "***Risk Factors - Impact of merger, wind up or change in the fundamental attributes of some of our schemes pursuant to the recent SEBI circulars dated October 6, 2017 and December 4, 2017***" on page 28 of this Prospectus for risks associated with the scheme re-categorization.

The following table provides a snapshot of our new scheme categories and the AUM split across our schemes as of June 30, 2018. As discussed above, this table is different from the scheme categories and AUM split as of June 30, 2018 disclosed elsewhere in this Prospectus.

Scheme Categories	**AUM (₹ in billions)**	**Number of schemes**
Equity-oriented	**729.74**	**10**
Multi Cap Fund	203.53	1
Mid Cap Fund	199.92	1
Large Cap Fund	143.69	1
Equity linked savings scheme(1)	81.48	2
Small Cap Fund	41.44	1
Value Fund	32.82	1
Large & Mid Cap Fund	12.36	1
Sectoral / Thematic Fund	9.48	1
Focused Fund	5.02	1
Hybrid Schemes	**732.07**	**6**
Balanced Advantage Fund(2)	364.17	1
Aggressive Hybrid Fund(3)	219.61	1
Equity Savings Fund	74.45	1
Arbitrage Fund	37.70	1
Conservative Hybrid Fund	34.59	1
Multi Asset Allocation	1.54	1
Debt Schemes	**1,242.26**	**13**
Liquid Fund	423.62	1
Credit Risk Fund	184.30	1
Floater Fund	170.83	1
Corporate Bond Fund	124.01	1
Low Duration Fund	104.02	1
Short Duration Fund	106.15	1
Money Market Fund	41.07	1
Banking and PSU Fund	32.14	1
Gilt Fund	16.23	1
Medium Duration Fund	14.59	1

Dynamic Bond Fund	13.10	1
Medium to Long Duration Fund	11.08	1
Overnight Fund(4)	1.12	1
Solutions Oriented	**29.16**	**4**
Children's Fund	22.27	1
Retirement Fund(4)	6.89	3
Other Schemes	**13.42**	**7**
Index Fund	6.03	2
Exchange Traded Fund	5.06	3
Fund of Funds(5)	2.33	2
Closed ended fund	**264.29**	**83**
Closed ended fund	264.29	83
Total	**3,010.94**	**123**

Of the two funds under this category, one fund was discontinued for subscription as a result of the characterization investors cannot invest in this fund anymore. However, this fund will remain open until investors redeem their investments from this fund.

AUM Split

The following table sets forth the closing AUM of our respective offerings as of June 30, 2018:

Particulars *(₹ in billions)*	**June 30, 2018**
Mutual funds	3,010.94
Portfolio management and segregated account services	64.91(1)
AUM	3,075.85(1)

(1) Does not include the additional AUM of ₹4.32 billion as of June 30, 2018 of a fund managed by Standard Life Investments Global SICAV, to which we provide non-binding investment advisory services as part of our portfolio management and segregated accounts services' business. As of June 30, 2018, our total AUM including AUM of this fund managed by Standard Life Investments Global SICAV was ₹3,080.17 billion.

Customers and Distribution Channels

As of June 30, 2018 we served customers in over 200 cities through our pan-India network of 209 branches (and a representative office in Dubai) and service centers of RTA. We have over 65,000 empaneled distribution partners across India. Our distribution channels include banks, national distributors and IFAs. As of June 30, 2018, we had our sales and distribution team of 633 people and a customer services team of 319 people located across India serve our branches that focuses on managing and developing our distribution network and customer relationships. As of June 30, 2018, IFAs, national distributors and banks generated 27.51%, 20.93%, 15.73% of our AUM, respectively, while the remaining 35.83% was invested in direct plans. In terms of our equity-oriented AUM, IFAs, national distributors and banks generated 39.74%, 24.53%, 18.46% of our equity-oriented AUM, respectively, while the remaining 17.27% was invested in direct plans, as of June 30, 2018. The following table sets forth certain key details

	June 30, 2018
Individual* MAAUM *(₹ in billion)*	1,910.01
Institutional** MAAUM (*₹ in billion*)	1,150.39
Individual* MAAUM as a percentage of total MAAUM (%)	62.41
Institutional** MAAUM as a percentage of total MAAUM (%)	37.59
Individual Live Accounts	8,359,711

*Individual customers include individual and Hindu Undivided Family ("**HUF**") Account **Institutional include all non-individual and non-HUF accounts.

Expense Ratio

- *Beyond 15 ("B-15") expense ratio*

  SEBI through a circular effective April 1, 2018, allows asset management companies to charge an additional total expense ratio or TER of up to 30 basis points on the daily net assets of the scheme to only B-30 cities. Prior to April 1, 2018, asset management companies could charge this additional TER to B-15. See "***Regulations and Policies - SEBI Circular on review of additional expenses of up to 0.30% towards inflows from beyond top 15 cities***" on page 205 of this Prospectus for more details on this change.

- *Decrease in additional expense ratio*

  Additionally, SEBI through a circular effective May 30, 2018 has decreased the additional expense ratio asset management companies can charge from 0.20% to 0.05% of the daily net assets of scheme. See "***Regulations and Policies - SEBI Circulars on TER for Mutual Funds and charging of additional expenses of up to 0.05% of daily net assets of the scheme***" on page 206 of this Prospectus for more details on this change.

See ***"Risk Factor – "Changes to the regulations on the Total Expenses Ratio for Schemes, could adversely impact our revenue, results of operations, business and prospects"*** on page 27 of this Prospectus for risks associated with these changes by SEBI.

Our Competitive Strengths

Consistent market leadership position in the Indian mutual fund industry

We have been a leader in the Indian mutual fund industry as demonstrated by our leading position across key industry metrics. We have been the most profitable asset management company in India in terms of net profits since Fiscal 2013, according to CRISIL. We had a total AUM of ₹2,919.85 billion as of March 31, 2018. Our AUM has grown at a CAGR of 33.9% since Fiscal 2001.

We have been the largest asset management company in India in terms of equity-oriented AUM since the last quarter of Fiscal 2011 and have consistently been among the top two asset management companies in India in terms of total average AUM since the month of August 2008, according to CRISIL. Our proportion of equity-oriented AUM to total AUM was at 51.3%, which was higher than the industry average of 43.2%, as of March 31, 2018, according to CRISIL. As of March 31, 2018, our market share of total AUM was 13.7% and of actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) was 16.8% among all asset management companies in India, as of March 31, 2018, according to CRISIL.

As of March 31, 2018, we had the highest share of individual customers of 15.7% and the second largest market share of MAAUM of 12.7% from B-15 cities in India, according to CRISIL. As of December 31, 2017, MAAUM from individual customers accounted for 62.2% compared to 51.4% for the mutual fund industry in India as a whole for the same period, which increased from 54.6% compared to 43.9% as of March 2014, respectively, according to CRISIL. Our Live Accounts increased from 4.94 million as of March 31, 2013 to 8.10 million as of March 31, 2018. We believe that our leading industry and financial position provides us with a robust platform for growth and efficiencies of scale, and enhances our capability of investing in the growth of our physical and digital infrastructure, which we believe, would further our access to a larger customer base, and provide improved customer experience. This would also enable us to maintain our competitive advantage as a market leader in the event of competitive pricing pressures or cyclicality in our industry. We believe that we have earned a reputation as an industry leader in quality and service excellence by staying relevant to our customers, and by providing them with need-based product solutions to meet their financial goals as well as continued support and engagement through various channels.

Trusted brand and strong parentage

We believe that we have a strong brand that our customers trust, as evidenced by our consistent leadership position in the Indian mutual fund industry. We also believe that we have strong brand recall among Indian customers, which we attribute, in part, to the strength of our brand and strong parentage. We benefit from the brand reputation of our promoters, HDFC and SLI. The HDFC group has a strong presence across financial products and services, especially in the retail sector. We believe that we benefit from HDFC's brand name as it gives us a unique advantage of being a trusted provider of financial services, and SLI provides us access to international best practices, for operations and risk management.

HDFC is one of India's leading housing finance companies. HDFC group has emerged as a recognized financial conglomerate in India with presence in housing finance, banking, life and non-life insurance, asset management, real estate funds and education finance. Listed companies of the HDFC group include HDFC Limited, HDFC Bank Limited, HDFC Standard Life Insurance Company Limited and GRUH Finance Limited, which had market capitalizations of US$46.87 billion (₹3,209.38 billion), US$80.19 billion (₹5,490.74 billion), US$13.41 billion (₹918.01 billion) and US$3.25 billion (₹222.47 billion), respectively, as of June 30, 2018. HDFC had over 2,500 employees across 474 outlets in India, as of March 31, 2018.

SLI is an indirect subsidiary of Standard Life Aberdeen, one of the world's largest investment companies, created in 2017 from the merger of Standard Life plc and Aberdeen Asset Management PLC. SLI operates within the brand Aberdeen Standard Investments, with its investment arm managing £575.7 billion (₹49,666.50 billion) of assets as of December 31, 2017, making it one of the largest active managers in Europe. As a result of the merger, SLI had operations across approximately 50 countries, with global clients in over 80 countries as of March 31, 2018. Standard Life Aberdeen is listed on the London Stock Exchange and had a total market capitalization of £9.70 billion (₹876.72 billion) as of June 30, 2018. We believe that our strong parentage and trusted brand enhances our appeal and provides confidence to our customers.

Strong investment performance supported by comprehensive investment philosophy and risk management

Equity-oriented schemes

Our consistent position as one of India's leading asset management companies is driven by our comprehensive investment philosophy and investment performance. Equity-oriented schemes constituted 51.3% of our total AUM as of March 31, 2018. Our investment philosophy for equity-oriented investments is based on the belief that over time stock prices reflect their intrinsic values. We are medium to long-term investors in equity and our investments are driven by fundamental research with a medium to long-term view. The research effort focusses on the assessment of medium to long-term fundamentals. The focus of research effort is on understanding the businesses, the key drivers, forming a view on the key drivers and understanding the risks. The research process emphasizes both quantitative and qualitative aspects. Quantitative aspects of research include key factors and growth prospects of the industry, the company's competitive position in the industry, analysis of the company's financial statements and performance, amongst other factors. Qualitative aspects of research focus on the company's management quality and corporate governance, amongst other factors. We believe that long-term focus with an understanding of short-term factors, investment discipline, risk management and a team of talented individuals are key to a successful active fund management.

As a result of this approach, we have been able to deliver strong and consistent performance for our equity-oriented schemes and view ourselves as the market leader for equity-oriented schemes. As of March 31, 2018, the HDFC Equity Fund was the largest scheme in the Multi cap-oriented equity category; the HDFC Midcap Opportunities Fund was the largest scheme in the Mid-cap category; the HDFC Prudence Fund was the largest scheme in the Dynamic Asset Allocation or Balanced Advantage category; and the HDFC Tax Saver was amongst the top three largest funds in the equity-linked savings scheme in terms of QAAUM, according to CRISIL. The six equity-oriented schemes set forth in the table below accounted for 79.1% of our equity-oriented AUM as of March 31, 2018. The following table shows the performance of our top equity-oriented schemes as of March 31, 2018.

Fund	**Years Since Inception**	**CAGR since inception**	**Benchmark CAGR***	**AUM (*₹ in billions*)**
HDFC Prudence Fund............................	24	18.68%	10.29%**	365.95
HDFC Balanced Fund............................	17	16.49%	13.25%**	204.01
HDFC Equity Fund................................	23	19.18%	11.70%	203.84
HDFC Mid-Cap Opportunities Fund	10	17.25%	12.95%	193.42
HDFC Top 200 Fund.............................	21	20.24%	13.96%	143.45
HDFC Equity Savings Fund	13	9.59%	5.74%	73.95

*We rely on benchmarks such as CRISIL Hybrid 35+65 (-) Aggressive Index, NIFTY 500, NIFTY Freefloat Midcap 100, S&P BSE 200 and NIFTY 50, amongst others to evaluate the performance of our equity-oriented schemes. All benchmark returns are based on the total return of the benchmark. ** We rely on two indices, NIFTY 50 and CRISIL Hybrid 35 + 65 (-) Aggressive Index for these schemes, as CRISIL Hybrid 35 + 65 (-) Aggressive Index did not exist on the scheme's inception date.

The following table provides a snapshot of the performance of our equity-oriented schemes taken together for a period of 15 years:

Equity-oriented AUM alpha*	1 year	2 years	3 years	5 years	10 years	15 years
AUM weighted alpha (CAGR)(As of March 31, 2018)**	-2.74	2.92	2.67	4.96	5.57	4.01

* the table above shows the weighted alpha of our 19 actively managed equity-oriented schemes (which excludes index linked and arbitrage schemes) which has a performance track record of more than one year. 'Alpha' refers to a scheme's excess return over the NIFTY 50 TR Index.
** As of March 31, 2018, we offered 27 equity-oriented schemes with a combined AUM of ₹1,497.13 billion, of which 22 schemes were actively managed equity-oriented schemes (which excludes index linked and arbitrage schemes) with a combined AUM of ₹1,449.25 billion. The trailing CAGR (over the periods indicated in the table above) of these schemes and the NIFTY 50 Index have been computed as of March 31, 2018. The difference between each scheme's return and the NIFTY 50 Index is the excess return or 'alpha' of the scheme. A total alpha of all 19 schemes is computed by weighing each scheme's alpha to its AUM as of March 31, 2018.

Debt schemes

Our investment philosophy for fixed income investments is based on our objective of delivering optimal risk-adjusted returns across our schemes, with a particular focus on safety, liquidity and returns. Our fixed income schemes constituted 48.5% of our total AUM as of March 31, 2018. Our fixed income schemes invest in securities including corporate bonds, municipal bonds, mortgage-backed securities, asset-backed securities, real estate investment trusts, infrastructure investment trusts and money market instruments. Our asset allocation for debt investments depends upon the outlook, spreads and yields for the relevant securities. Our debt portfolio allocation is initially driven by our focus on safety, liquidity and returns, and then fine-tuned to suit the respective investment objectives of the scheme. We also evaluate global and local macroeconomic variables such as growth, inflation, currency and liquidity. Our fund managers endeavor to add value by adjusting portfolio durations based on their views of interest rates and the shape of the yield curve, choosing relatively undervalued credits and constructing well-diversified portfolios. Our debt investments are evaluated for creditworthiness using both quantitative factors such as leverage, profitability and solvency ratios, and qualitative factors, such as parentage and track record. We use an in-house quantitative model to arrive at a credit score for each approved investment, which determines the exposure limit of a portfolio. Absolute exposure limits for individual credits across all of our portfolios are also specified.

Through our prudent debt investment philosophy, our debt schemes have delivered consistent risk-adjusted returns in line with their investment objectives and have never had any credit defaults. See "- *Performance of our Schemes"* on page 189 of this Prospectus for more details on the performance of our top debt schemes as of March 31, 2018.

The risk management function is an integral part of our investment process. Our investment and risk management team is responsible for conducting pre-trade and post-trade monitoring. Pre-trade monitoring includes regulatory and internal limit adherence, volume weighted average price ("**VWAP**") analysis and trade allocation review. Post-trade monitoring process includes the analysis of performance attribution, factor model based risks, stress tests, value at risk ("**VaR**"), sector and stock concentration risks and peer group analysis, and is supported by robust technology platforms. Further, we have internal dealing room controls that are reviewed by independent forensic auditors. We maintain biometric access controls, call recording and video surveillance technologies, a cell phone deposit policy and a dealer (equity dealing room) rotation policy. We continuously enhance our investment risk management capabilities to ensure regulatory and market compliance, and develop techniques to continue tracking our portfolios. See *" – Risk Management*" on page 196 of this Prospectus for more details on our risk management procedures and policies.

Superior and diversified product mix distributed through a multi-channel distribution network

We offer a wide range of investment schemes across asset classes catering to various risk return profiles, many of which have recorded strong and consistent performance compared to industry benchmarks. As of March 31, 2018, our total AUM was ₹2,919.85 billion as of March 31, 2018, of which our equity-oriented AUM and non-equity-oriented AUM constituted ₹1,497.13 billion and ₹1,422.73 billion, respectively, of our total AUM. Our actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) constituted ₹1,449.25 billion of our total AUM as of March 31, 2018.

Our diversified product mix, which includes 27 equity-oriented schemes, 98 debt schemes (including 72 FMPs), three liquid schemes, and five other schemes (including exchange-traded and funds of fund schemes), enables us to operate through various market cycles, cater to specific customer requirements and reduce concentration risk. We offer equity-oriented schemes based on market capitalization and asset class mix, as well as thematic, tax saving, goal-based, arbitrage and index schemes. Schemes based on market capitalization include multi-cap, large-cap, mid-cap and small-cap schemes, while those based on asset classes include equity-oriented hybrid schemes with a mix of equity and debt instruments. As of March 31, 2018, our proportion of equity-oriented AUM to total AUM of 51.3% was higher than the overall industry proportion of 43.2%, according to CRISIL. With respect to debt schemes, we offer schemes across the yield curve and with varied credit risks. Our debt schemes cater to different risk return profiles of customers. They include liquid schemes, ultra-short term debt scheme, short and medium term schemes, income schemes, gilt schemes and FMPs. Overall, we typically exercise discipline in launching new schemes and prefer to focus on growing our existing schemes.

We offer our customers access to our products and services through an extensive multi-channel sales and distribution network comprising banks, national distributors and IFAs. As of March 31, 2018, we served customers in over 200 cities through our pan-India network of 209 branches (and a representative office in Dubai), and service centers of our RTA. Customers also access our products and services directly through our branches and online channels. Further, as of March 31, 2018, we had over 65,000 empaneled distributors across India marketing the entire range of our schemes with our largest distribution partner (HDFC Bank Limited) accounted for 10.3% of our total AUM and 12.1% of our equity-oriented AUM, while our second and third largest distributor accounted for 3.2% and 2.6% of our total AUM, respectively. As of March 31, 2018, IFAs, national distributors and banks generated 27.6%, 21.0%, 17.3% of our AUM respectively, while the remaining 34.1% was invested in direct plans. In terms of our equity-oriented AUM, IFAs, national distributors and banks generated 39.2%, 24.2%, 19.1% of our equity-oriented AUM, respectively, while the remaining 17.5% was invested in direct plans, as of March 31, 2018. We continually work towards deepening our relationships with our existing distribution partners and expanding our distributor base since we believe that having access to a large and diversified distribution network has and will continue to help us build wider individual customer franchise.

As of March 31, 2018, 60 of our branches were located in top 15 ("**T-15**") cities and 149 were located in B-15 cities in India, where we have the second highest market share of 12.7%, according to CRISIL. Our share of MAAUM from T-15 and B-15 cities as of March 31, 2018 was 81.9% and 18.1%, respectively. We believe that we are well positioned to capture the underpenetrated B-15 market where industry MAAUM has grown at a CAGR of 32.3% between March 2014 and March 2018, according to CRISIL, and at the same time, our presence in the T-15 cities continues to grow. As of March 31, 2018, we had a sales and distribution team of 581 employees and a customer services team of 295 employees located across our branches in India.

We have a strong online presence via our digital platform for customers and distribution partners. We offer our services through our online portal, HDFC MFOnline and our mobile applications. For the Fiscal ended 2018, approximately 14.4% of all our transactions were through HDFC MFOnline and our mobile applications. Electronic transactions grew at a CAGR of 46.2% from Fiscal 2015 to 2018. Electronic transactions formed 30.1% of all our transactions in Fiscal 2015, 35.9% in Fiscal 2016, 41.0% in Fiscal 2017 and 50.8% in Fiscal 2018. We also have a dedicated online platform for our distribution partners and our schemes are available on third-party websites and on platforms of our key distribution partners.

Through our diverse range of product offerings, we are equipped to cater to a variety of customer requirements and risk profiles and we believe that we are well positioned to continue to attract AUM from new and existing customers.

Focus on individual customers and customer centric approach

According to CRISIL, the percentage of gross financial household savings in India in shares and debentures, including mutual funds, has increased from 2.0% in Fiscal 2015 to 10.0% in Fiscal 2017. Moreover, investments by individual customers in the mutual fund industry has grown from 43.9% of total industry MAAUM as of March 31, 2014 to 51.4% of total industry MAAUM as of March 31, 2018, according to CRISIL. With an individual investor focused strategy, we have a customer base with a greater proportion of individual AUM in comparison to the overall Indian mutual fund industry. As of March 31, 2018, our MAAUM from individual customers accounted for 62.2% of our MAAUM compared to 51.4% in the mutual fund industry in India as a whole for the same period, according to CRISIL. With this trend towards greater individual investments in mutual funds, our significant individual customer base and leadership remains a key strength. According to CRISIL, individual customers tend to favor equity-oriented schemes, which generally attracts higher investment management fees in comparison to non-equity oriented schemes and individual customers tend to have longer holding periods. As of March 31, 2018, of the total mutual fund industry AUM held for a period over 24 months 70.3% was held by individual customers, according to CRISIL.

We believe that investments through systematic transactions have become a popular form of investing in the mutual funds as it offers customers the opportunity to invest smaller amounts over longer periods and helps mitigate the risk of market timing. The cornerstone of our sales effort has been to build a strong pipeline of such systematic flows, which helps in providing steady and predictable flows to our AUM. In pursuit of this objective, we have built a strong monthly flow of funds through systematic transactions. We had monthly flows of ₹11.5 billion through 3.16 million systematic transactions in March 2018. The number of systematic transactions has increased from 1.48 million as of March 2013 to 3.16 million as of March 31, 2018. As of March 31, 2018, 77.3% of our systematic transactions at the time of registration had a tenure of over five years and 64.2% of our systematic transactions had a tenure of over 10 years. See "- *Systematic Transactions*" on page 191 of this Prospectus for more information on our systematic transactions.

The following table depicts the growth of our systematic transactions over time and the steady increase in the average ticket size.

Month	**Amount (₹ in Million)**	**Customer count (million)**	**Average Transaction size (₹)**
March 2014	3,082.29	1.23	2,499.93
September 2014	4,319.25	1.43	3,021.42
March 2015	4,744.82	1.62	2,925.96
September 2015	4,999.28	1.75	2,864.62
March 2016	4,853.83	1.77	2,747.31
September 2016	5,494.14	1.85	2,965.34
March 2017	6,768.36	2.10	3,223.68
September 2017	10,009.62	2.62	3,825.84
December 2017	10,698.24	2.85	3,756.76
January 2018	11,269.42	3.01	3,744.05
February 2018	11,243.15	3.06	3,672.14
March 2018	11,530.70	3.16	3,647.80

Our ability to attract and retain customers is broadly a result of our customer centric approach and service. We are committed to providing high quality customer service experience to our customers. We have established a large network of customer service centers across India to facilitate customer touch points. We have introduced multi-channel customer engagement efforts, including through our mobile application, online portal, dedicated toll free numbers and email address. We offer additional customer services, such as multi-lingual account statements to cater to customers across India and other value-added services. We host investor education programs to educate prospective customers of the various investment products and have a dedicated distributor portal for our distribution partners. See "– *Customer Service*" and *"*- *Training and Investor Education*" on pages 196 and 197, respectively, of this Prospectus for more details on our customer service and investor education initiatives.

Consistent profitable growth

We have been the most profitable asset management company in India in terms of net profits since Fiscal 2013, according to CRISIL. We had a total AUM of ₹2,919.85 billion as of March 31, 2018, of which our equity-oriented AUM and non-equity-oriented AUM constituted ₹1,497.13 billion and ₹1,422.73 billion, respectively. Our proportion of equity-oriented AUM to total AUM was 51.3%, which was higher than the industry average of 43.2% as of March 31, 2018, according to CRISIL. As equity-oriented schemes generally have a higher fee structure compared to non-equity-oriented schemes, our product mix helps us achieve higher profits. Further, as of March 31, 2018, our market share of total AUM was 13.7% and of actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) was 16.8% among all asset management companies in India, according to CRISIL.

Our AUM has grown at a CAGR of 33.9% since Fiscal 2001 and our profits have grown at a CAGR of 32.1% since our first full year of operations in Fiscal 2002. We have been the most profitable asset management company in India in terms of net profits and total revenue since Fiscal 2013 and had the highest share of net profits and total revenue of 18.8% and 13.5%, respectively, among asset management companies in India in Fiscal 2017, according to CRISIL. Our employee related expenses as a percentage of AAAUM have been the lowest since Fiscal 2013 compared to top five asset management companies in India (top five as per AAAUM as of March 31, 2018), according to CRISIL. While our employee base increased from 582 as of March 31, 2013 to 1,010 as of March 31, 2018, our employee related expenses as a percentage of AAAUM decreased from 0.10 in Fiscal 2014 to 0.06 in Fiscal 2018. Similarly, while the number of our branches increased from 136 as of March 31, 2013 to 210 as of March 31, 2018, our operating expenses as a percentage of AAAUM has decreased from 0.09 in Fiscal 2014 to 0.07 in Fiscal 2018. Our return on average net worth increased from 41.12% in Fiscal 2015 to 40.28% in Fiscal 2018.

We have been able to maintain our strong financial position because of our consistent focus on customer centricity, cost management and continued focus on profitable growth. Our strong financial position in the industry provides us with sustainable resources to continue to invest and fund future growth.

Experienced and stable management and investment teams

We are led by a management team with extensive experience in the asset management, banking and finance sectors with a proven track record of performance. Our company has been in operation for over 17 years. Our senior management team has been with us for an average of 13 years and has a total average work experience of 26 years. As a result, our senior management team brings a deep understanding of the market that enables us to identify and take advantage of strategic opportunities and effectively respond to the changing landscape in India. Our Managing Director, Milind Barve has been with our Company since the year of its inception and with the HDFC group for over 34 years. Our Executive Director and Chief Investment Officer, Prashant Jain joined our Company in 2003 when we acquired Zurich India Asset Management Company where he had been since 1993. Our leadership team is committed to growing our business, as demonstrated by our track record in delivering consistent business and financial results.

We have a strong and stable investment team, which consisted of 26 employees as of March 31, 2018 with an average of over eight years of work experience with our Company, and an average of over 17 years of total experience. We believe that our attrition rates are amongst the lowest in the industry.

Our Strategies

Maintain strong investment performance

Our endeavour is to continue to deliver superior investment performance against benchmarks and peer groups over medium to long-term periods. We are medium to long-term investors and our investments are driven by fundamental research with a medium to long-term view. We believe that over time, stock prices reflect their intrinsic values. The key elements of our investment strategy include investment discipline, long-term focus, risk management and team approach coupled with talented individuals.

As part of investment discipline, we align our investment strategy and asset allocation with the scheme's objective or mandate at all points of time. We avoid investing in assets where risks are not understood. As part of our long-term focus, we construct portfolios based on medium to long-term fundamentals, analyse and understand short-term volatility, yet stay committed to medium to long-term prospects. We continue to focus on enhancing the quality of research in order to develop a more deep and incisive understanding of the businesses that we invest in. As part of risk management, we adopt continuous risk management processes that tracks adherence of respective portfolios characteristics with the scheme mandates. With respect to team approach coupled with talented individuals, we provide high operating freedom to individuals within predefined boundaries and will continue to support and encourage dialogue, exchange of views, sharing of information both internally and with external experts.

Expand our reach and distribution channels

The AUM of the Indian mutual fund industry has grown at a CAGR of 24.9%, and the equity-oriented AUM that generally have a higher fee structure has grown at a CAGR of 37.3% from March 31, 2013 to March 31, 2018, according to CRISIL. We have expanded our physical presence from 141 branches as of March 31, 2014 to 210 branches as of March 31, 2018 and we aim to continue expanding our physical footprint consistent with the growing opportunity. T-15 cities account for 81.2% of the industry MAAUM, having grown at a CAGR of 24.9% since March 2014, according to CRISIL. We have expanded our reach in T-15 cities, both in terms of branches and personnel, and intend to continue evaluating opportunities and strengthening our physical presence further in T-15 cities.

On the other hand, the industry has also seen an increase in AUM from B-15 cities. The MAAUM in B-15 cities has grown at a CAGR of 32.3% since March 2014, albeit from a smaller base. We currently have 150 branches in B-15 cities and will continue to expand our presence to deepen our geographical reach further. Along with opening new branches, we also aim to increase the number of employees in our sales and distribution and customer services teams. We currently have over 65,000 empanelled distribution partners and are focused on empanelling new distribution partners. As of March 31, 2018, IFAs, national distributors and banks generated 27.6%, 21.0%, 17.3% of our AUM, respectively, while the remaining 34.1% was invested in direct plans. As of March 31, 2018, IFAs, national distributors and banks generated 39.2%, 24.2%, 19.1% of our equity-oriented AUM, respectively, while the remaining 17.5% was invested in direct plans. Our team constantly works towards deepening these relationships and strives to increase our market share with each of our distribution partners. We continuously seek newer distribution opportunities. For example, we intend to engage with new distribution partners, such as PSU banks, online platforms and robo-advisors. With growth in our distribution network, we aim to increase our customer base and attract AUM to our schemes. Our Live Accounts increased from 4.94 million as of March 31, 2013 to 8.10 million as of March 31, 2018.

We intend to continue using our investor education programs to promote awareness of mutual funds that should lead to increased penetration of mutual fund products. We also plan to continue complementing our wide distribution network with effective marketing campaigns to spread brand awareness and strengthen customer relationships. While we currently utilize a number of advertising channels, we aim to continue utilizing innovative marketing channels, including social media.

We are focused on expanding our distribution reach to attract global clientele. We have an office in Dubai to help us reach out to clients in the Middle East. We have also been working closely with SLI to leverage their global distribution network. We have entered into a distribution arrangement with a leading global asset management firm and we have been appointed as their exclusive India onshore investment manager in the long-only space. We have seen some success in terms of raising global capital and will continue to pursue such beneficial opportunities.

Our financial strength and superior profits track record provides a platform to continue investing in the expansion of our physical and digital reach.

Enhance product portfolio

We aim to offer need-based and customer-centric products that address the core needs of our diversified customer base. We typically exercise discipline in launching new funds and prefer to focus on growing our existing funds. However, we continuously seek feedback from our investment team, distributor network and customers to cater to customer demands and market trends, which we utilize to adjust existing products or launch new products. Our deep experience has provided us with significant know-how to develop and provide investment products across various customer segments, economic conditions and market cycles. As part of our product development strategy, we intend to continue developing products for our customers based on investment opportunities identified by our investment team and which complement our existing product suite. For example, in Fiscal 2018, we have launched two equity-oriented schemes, HDFC Equity Opportunities Fund (two series) and the HDFC Housing Opportunities Fund, each of which have distinct investment strategies aimed at catering to potential market opportunities we had identified.

Our product strategy also involves focusing on our systematic transaction offerings. We offer three broad types of systematic transactions, systematic investment plans, systematic transfer plans and systematic withdrawal advantage plans, which allow individual customers to systematically invest, transfer and withdraw assets into and from our schemes. For further details, please see "- *Systematic Transactions*" on page 191 of this Prospectus. According to CRISIL, systematic investment plan ("**SIPs**") constituted approximately 41% and 26% of total industry equity-oriented fund flows in Fiscals 2017 and 2018, respectively. Accordingly, we view our systematic offerings as an important value-added feature.

We also plan to continue growing our portfolio management and segregated account services. We provide portfolio management and segregated account services, including discretionary, non-discretionary and advisory services, to HNIs, family offices, domestic corporates, trusts, provident funds and domestic and global institutions. As of March 31, 2018, we managed AUM of ₹64.74 billion as part of our portfolio management and segregated accounts services' business. Additionally, as part of our portfolio management and segregated accounts services we provide non-binding investment advisory services to a fund which had an AUM of ₹4.69 billion as of March 31, 2018 and is managed by Standard Life Investments Global SICAV. We will continue offering our services to customers with specific requirements for customized portfolios or services of similar nature.

We have plans to launch an alternative investment fund ("**AIF**") as well. In this regard, we have received SEBI approval to operate as a Category II AIF and intend to seek SEBI approval to be recognized as a Category III AIF. We anticipate launching our AIF operations depending on viable market opportunities. The industry size of AIF has grown to ₹1.4 trillion as of December 31, 2017, according to CRISIL.

Invest in digital platforms to effectively leverage the growing digital space

Our vision is to be a leader in the effective use of technology to meet the changing needs of our customers, employees and key distribution partners. We believe that digital transformation is strategic and integral to our business, as it redefines standards in terms of meeting customer expectations and reducing costs. We aim to progress towards a digital model to meet our customers' requirements by personalizing offerings, facilitating easy on-boarding, ease in transacting and access to other relevant data through our digital platform. Through these initiatives, we expect our customer's user experience to improve, which will enable us to build customer loyalty.

According to CRISIL, technology is expected to play a pivotal role in the Indian financial services sector. In May 2017, SEBI allowed investments of up to ₹50,000 per mutual fund every financial year through digital wallets and allow mutual funds to offer an "instant access" facility. Ease of on-boarding a customer with a centralized know your customer model is also a key enabler. We believe that digital distribution will continue to be a growing trend in the Indian mutual fund industry, and that the use of smartphones and mobile devices will become a preferred medium for product, scheme subscription and information dissemination. Maintaining a superior digital infrastructure will therefore continue to be a key contributor to the growth of our business.

We plan to explore using data analytics, especially using behavioural analysis tools for predictive analytics and deploying the same for improved customer servicing and cross/up selling. We endeavour to continue making targeted investments in areas such as mobility platforms, data science and other analytics, cognitive automation and cloud computing. We also aim to provide seamless connectivity with all our key distribution channels in order to drive synergies of financial planning, efficient distribution, order processing and servicing. We believe that these initiatives will be instrumental in decreasing costs while bringing in efficiencies at the same time. We intend to continue developing our transactions portal, HDFC MFOnline and our website.

See " – *Information Technology*" and "– *Digital Platforms*" on pages 197 and 197 of this Prospectus for more details on our information technology ("**IT**") systems, online portal and website.

Our Business

We are the investment manager to HDFC Mutual Fund, which had the highest market share of equity-oriented AUM in the Indian mutual fund industry as of March 31, 2018, according to CRISIL. We have been the largest asset management company in India in terms of equity-oriented AUM since the last quarter of Fiscal 2011 and have consistently been among the top two asset management companies in India in terms of total average AUM since the month of August 2008, according to CRISIL. We also provide portfolio management and segregated account services, which includes discretionary, non-discretionary and advisory services. The following table sets forth the closing AUM of our respective offerings as of the dates indicated:

	Closing AUM as of							
		March 31,						
Particulars (*₹ in billions*)	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Mutual funds	2,919.85	2,305.94	1,656.19	1,505.69	1,089.13	937.66	863.29	743.35
Portfolio management and segregated account services	64.74[(1)]	58.64[(1)]	45.60[(1)]	23.63	39.25	53.76	63.37	65.01
AUM	2,984.59[(1)]	2,364.58[(1)]	1,701.79[(1)]	1,529.32	1,128.38	991.42	926.66	808.36

(1) Does not include the additional AUM of ₹4.69 billion, ₹3.58 billion and ₹1.20 billion as of March 31, 2018, March 31, 2017 and March 31, 2016, respectively, of a fund managed by Standard Life Investments Global SICAV, to which we provide non-binding investment advisory services as part of our portfolio management and segregated accounts services' business. Our total AUM including AUM of a fund managed by Standard Life Investments Global SICAV was ₹2,989.28 billion, ₹2,368.16 billion and ₹1,702.99 billion as of as of March 31, 2018, March 31, 2017 and March 31, 2016, respectively.

Our Mutual Fund Business

We act exclusively as the investment manager to HDFC Mutual Fund and as of March 31, 2018, we managed 133 schemes. We offer a range of mutual fund schemes for customers to meet their financial needs and goals. Mutual Fund investors buy units of schemes at the net asset value ("**NAV**") of the scheme. We offer both, open and closed-ended schemes. Open-ended schemes are schemes that are available for subscription and redemption on any transaction or business day. An open-ended scheme is perpetual and does not have any maturity date. Closed-ended schemes have a specific maturity date in line with the scheme's objective and customers can invest in these schemes only during a new fund offer ("**NFO**") period. Units of a closed-end fund are compulsorily listed on a stock exchange after the new fund offer, and are traded on the stock exchange.

We categorize our schemes broadly under the following four categories:

- Equity-oriented schemes;
- Debt schemes;
- Liquid schemes; and
- Other schemes.

The following table provides our AUM split across our schemes as of March 31, 2018:

Scheme Categories	AUM (₹ in billions)	Number of schemes
Equity-oriented	**1,497.13**	**27**
Diversified	648.05	11
Equity-oriented hybrid	643.90	3
Tax saving	86.96	3
Thematic	43.47	2
Arbitrage	42.60	2
Goal oriented equity-oriented	26.86	3
Index	5.28	3
Debt	**1,055.08**	**98**
Short to medium term	319.92	5
Ultra-short term	285.93	2
FMP	198.20	72
Income	178.07	4
Debt-oriented hybrid	49.81	12
Gilt	22.59	2
Goal oriented debt	0.56	1
Liquid	**359.65**	**3**
Liquid	359.65	3
Other	**7.99**	**5**
Exchange traded	5.57	3
Fund of funds	2.42	2
Total	**2,919.85**	**133**

Equity-oriented scheme

Equity-oriented schemes invest predominantly in equity shares of multiple companies, thereby participating in the earnings and growth of these companies and providing capital appreciation over time to customers. We offer several equity-oriented schemes that cater to different customer's risk and return profiles. As of March 31, 2018, our equity-oriented schemes constituted 51.3% of our AUM. We broadly classify our equity-oriented schemes as follows:

- *Diversified equity-oriented schemes*: These schemes invest in various stocks spread across different sectors and market capitalization, thereby providing broad market diversification to the customer. This diversification prevents adverse events in one area to affect the entire portfolio. The allocation strategy of schemes under this category differ based on various aspects, including style, concentration and market capitalization. For example, schemes, which invest predominantly in stocks with large market capitalization or large-cap stocks, have a distinct risk-return profile when compared to schemes that invest in companies with small to medium sized capitalization. Schemes that invest in stocks of large companies are large-cap schemes and schemes that invest in mid-sized companies are mid-cap schemes. Schemes that invest across different stocks with no bias on the size of the underlying companies are multi-cap schemes. As of March 31, 2018, we had 11 diversified equity-oriented schemes and our AUM from this category was ₹648.05 billion. Some of our diversified equity-oriented schemes include HDFC Top 200 Fund, which is a large-cap oriented scheme, HDFC Mid-Cap Opportunities Fund, which is a mid-cap oriented scheme and HDFC Small Cap Fund, which is a small-cap oriented scheme.

- *Equity-oriented hybrid schemes:* These schemes invest in a judicious mix of equity-oriented and debt instruments, with an aim to reduce unsystematic risks and volatility within one asset class. These schemes generally cater to customers with lower risk investment appetites as compared to pure equity schemes. Equity allocation in these schemes are typically diversified across sectors and market capitalization. Debt allocation under these schemes are constructed keeping a medium to long-term outlook for fixed income markets. Asset allocation is periodically aligned to maintain the scheme's equity-debt mix in line with market outlook. As of March 31, 2018, we had three equity-oriented hybrid schemes and our AUM from this category was ₹643.90 billion. Some of our equity-oriented hybrid schemes include HDFC Prudence Fund, HDFC Balanced Fund and HDFC Equity Savings Fund.

- *Tax saving schemes*: The Indian Income Tax Act offers certain tax benefits to mutual fund investors that invest in mutual funds through the equity-linked savings schemes ("**ELSS**"). ELSS are open-ended schemes with a three-year lock-in period. As of March 31, 2018, we had three tax saving schemes and our AUM from this category was ₹86.96 billion. Some of our tax saving schemes include HDFC TaxSaver and HDFC Long Term Advantage Fund.

- *Thematic schemes:* Thematic schemes invest in specific market segments with an aim to capitalize on certain opportunities and deliver higher returns compared to the broader market. Our thematic schemes include HDFC Infrastructure Fund, which operates as an open-ended scheme that invests predominantly in companies engaged in or expected to benefit from the growth and development of infrastructure. Similarly, the HDFC Housing Opportunities Fund operates as a close-ended scheme that invests in companies engaged in or are expected to benefit from the growth in housing and allied business activities. As of March 31, 2018, we had two thematic schemes and our AUM from this category was ₹43.47 billion.

- *Index schemes*: Index schemes replicate the underlying indices and customers can gain from passive exposure to the markets. These schemes offer customers the option to invest in respective indices such as the NIFTY 50 and S&P BSE SENSEX through open-ended schemes. Customers that prefer a passive strategy in their portfolio generally opt for these schemes. As of March 31, 2018, we had three index schemes and our AUM from this category was ₹5.28 billion. Some of our index schemes include HDFC Index Fund – SENSEX Plan and HDFC Index Fund – NIFTY Plan.

- *Goal-based equity-oriented schemes*: Goal-based schemes cater to customers who are looking at need-based solutions for their specific goals. We have created specific goal-based schemes such as HDFC Retirement Savings Fund (Equity and Hybrid Equity Plan) and HDFC Children's Gift Fund. These schemes invest in both equity-oriented and debt securities with a dominance in equities. As of March 31, 2018, we had three goal-based schemes and our AUM from this category was ₹26.86 billion.

- *Arbitrage schemes*: Arbitrage funds aim to offer liquidity to customers while generating income through arbitrage opportunities arising out of mispricing of assets across different markets due to underlying inefficiencies in market pricing. As all positions are hedged, the strategy mitigates the risk associated with market volatility. As of March 31, 2018, we had two arbitrage schemes and our AUM from this category was ₹42.60 billion. Our open-ended scheme offered in this category is the HDFC Arbitrage Fund.

Debt schemes

Our debt schemes invest primarily in debt securities, including corporate bonds, government securities and money market instruments. We manage a range of duration and credit schemes that provide for a variety of duration and credit risks and cater to distinct risk-return profiles of customers.

- *Ultra-short-term schemes*: Ultra-short-term schemes are schemes that are of a short duration and generally invest in debt securities with short-term maturities. They invest in a range of money market and debt instruments. These schemes are ideal for individual and corporate customers looking to invest their idle funds. These funds are optimal for customers looking for cash management or where the investment horizon is short-term. As of March 31, 2018, we had two ultra-short-term schemes and our AUM from this category was ₹285.93 billion. Our Ultra-short term schemes include HDFC Cash Management Fund – Treasury Advantage Plan and HDFC Floating Rate Income Fund – Short Term Plan.

- *Short and medium term schemes*: Short and medium term schemes invest in corporate and government bonds with short to medium maturities. These schemes cater to customers that prefer low to medium duration risk. As of March 31, 2018, we had five short and medium term schemes and our AUM from this category was ₹319.92 billion. Some of our Short and medium term schemes include HDFC Short Term Opportunities Fund, HDFC Medium Term Opportunities Fund and HDFC Regular Savings Fund.

- *Income schemes*: Income schemes invest in medium to long-term corporate bonds and government securities with a maturity mix that is aligned to the interest rate outlook. They also include credit opportunities schemes, which aim to invest in corporate debt of various credit qualities. These schemes are suitable for customers that are looking to benefit from falling interest rates or higher yield. As of March 31, 2018, we had four income schemes and our AUM from this category was ₹178.07 billion. Some of our income schemes include HDFC Income Fund and HDFC Corporate Debt Opportunities Fund.

- *GILT funds:* The primary objective of GILT schemes is to generate credit risk-free returns through investments in sovereign securities issued by the GoI or State Governments. As of March 31, 2018, we had two GILT schemes and our AUM from this category was ₹22.59 billion. HDFC Gilt Fund – Long Term Plan falls in this category.

- *Debt-oriented hybrid schemes*: These schemes aim to provide periodic returns and capital appreciation over the long-term by using a judicious mix of debt as well as equity instruments, with the majority of investments comprising debt securities. These schemes generally cater to those customers who are looking for some equity allocation in a predominantly debt-oriented portfolio. Debt allocation under these schemes are constructed keeping a medium to long-term outlook for fixed income markets. Asset allocation is periodically aligned to maintain the scheme's debt-equity mix in line with market outlook. Equity allocation in these schemes are typically diversified across sectors and market capitalization. As of March 31, 2018, we had 12 debt-oriented hybrid schemes and our AUM from this category was ₹49.81 billion. Some of our debt-oriented hybrid schemes include HDFC MF Monthly Income Plan – LTP, and multiple series of HDFC Dual Advantage Fund and HDFC Capital Protection Oriented Fund.

- *Fixed-maturity plans:* Fixed-maturity plans are closed-ended debt schemes that generate income through investment in debt and money market instruments as well as government securities maturing on or before the maturity date of the plan. These are best suited for customers seeking accrual of income with minimal duration risks. As of March 31, 2018, we had 72 fixed-maturity plans and our AUM from this category was ₹198.20 billion.

- *Goal-oriented debt schemes*: Goal-based debt schemes cater to customers who are looking at need-based solutions for their specific goals. We have created specific goal-based schemes such as HDFC Retirement Savings Fund – Debt Plan. These schemes invest in debt securities. As of March 31, 2018, we had one goal-based debt scheme and our AUM from this category was ₹0.56 billion.

Liquid schemes

- *Liquid schemes*: Liquid schemes predominantly invest in liquid instruments and debt securities with maturity periods not exceeding 91 days, thereby providing high liquidity. Such instruments typically include treasury bills, commercial papers, certificates of deposits, and collateralized lending and borrowing obligations. These schemes may be an attractive alternative to corporate and individual customers as a means to deploy their idle funds for short periods, which could be as low as one day. As of March 31, 2018, we had three liquid schemes and our AUM from this category was ₹359.65 billion. Some of our Liquid schemes include HDFC Liquid Fund and HDFC Cash Management Fund – Savings Plan.

Other schemes

- *Exchange-traded fund ("**ETF**"):* ETF is a marketable security that tracks an index or a commodity. Unlike other schemes, ETF trades like a common stock on a stock exchange. The price of ETF fluctuates throughout the day. These schemes are suitable for customers that prefer a low-cost passive strategy. We have ETFs that track the SENSEX and NIFTY 50 indices. We also have an ETF that invests in gold, allowing customers to participate in returns from gold bullion of 0.995 fineness. As of March 31, 2018, we had three ETFs and our AUM from this category was ₹5.57 billion.

- *Funds of funds ("**FoF**"):* FoF is an investment strategy under which a scheme invests in other schemes. As of March 31, 2018, we had two FoFs and our AUM from this category was ₹2.42 billion.

Performance of our Schemes

The following tables show the performance of our top schemes under each category as of March 28, 2018, except liquid schemes and ultra-short term schemes, which are as of March 31, 2018, relative to the performance of the relevant benchmark index. Performance has been computed using the last business day of each period.

Scheme and relevant Benchmark**	AUM as of March 31, 2018 (₹ *in billions)*	1 year	Performance CAGR ended March 28, 2018 (%) Year(s) 2	3	5	7	10	15	Since Inception
	Equity-oriented schemes								
HDFC Prudence Fund	365.95	5.98	17.24	8.87	16.86	12.41	14.28	22.20	18.68
NIFTY 50 Hybrid Composite Debt 65:35 Index		9.58	13.22	7.69	11.91	9.42	9.47	15.09	
NIFTY 50..		11.76	15.95	7.38	13.63	9.54	9.18	18.51	10.29
Excess Returns..		-3.60	4.03	1.18	4.95	3.00	4.81	7.11	8.39
HDFC Equity Fund	203.84	8.79	19.24	8.01	16.88	11.10	13.57	24.44	19.18
NIFTY 500		12.87	19.11	9.83	16.31	11.11	10.11	20.22	11.70
Excess Returns..		-4.08	0.12	-1.82	0.57	-0.01	3.45	4.22	7.49
HDFC Mid-Cap Opportunities Fund...............	193.42	11.37	23.80	14.73	26.31	20.44	19.32	-	17.25
Nifty Free Float Midcap 100		10.25	22.76	14.39	21.96	14.39	13.17	-	12.95
Excess Returns..		1.12	1.03	0.34	4.36	6.05	6.15	-	4.30
HDFC Balanced Fund	204.01	11.24	17.17	10.73	19.17	15.00	15.56	19.32	16.49
NIFTY 50 Hybrid Composite Debt 65:35 Index		9.58	13.22	7.69	11.91	9.42	9.47	15.09	
NIFTY 50..		11.76	15.95	7.38	13.63	9.54	9.18	18.51	13.25
Excess Returns..		1.66	3.96	3.04	7.26	5.58	6.09	4.22	3.24
HDFC Top 200 Fund....................................	143.45	6.77	17.90	7.80	15.30	10.36	12.55	24.20	20.24
S&P BSE 200		12.49	18.20	9.31	15.77	10.92	10.21	19.49	13.96
Excess Returns..		-5.72	-0.30	-1.51	-0.47	-0.55	2.35	4.71	6.27
HDFC Equity Savings Fund	73.95	6.22	14.47	10.09	10.67	9.93	9.88	-	9.59
NIFTY 50; Nifty 50 Arbitrage and CRISIL Short Term Bond Fund Index.........................		7.17	9.22	7.04	9.59	8.56	-	-	NA
CRISIL 10 Year Gilt Index		-0.42	5.57	6.36	6.42	6.52	6.52		5.74
Excess Returns..		-0.95	5.25	3.04	1.07	1.37	-	-	3.85

** Benchmarks, returns are calculated for TRI variant. Returns are for regular plan-growth option

#Based on the NIFTY 50 benchmark because CRISIL Hybrid 35+65 (-) Aggressive Index did not exist on the Scheme's inception date

Scheme and relevant Benchmark*	AUM as of March 31, 2018 (₹ *in billions)*	1 year	Performance CAGR ended March 28, 2018 (%) Year(s) 2	3	4	5	10	Since Inception
	Debt oriented schemes							
HDFC Floating Rate Income Fund - Short Term Plan...	183.54	6.98	7.76	8.07	8.39	8.59	8.25	8.28
CRISIL Liquid Fund Index		6.84	6.98	7.33	7.74	8.08	7.57	7.54
Excess Returns..		0.14	0.78	0.74	0.65	0.51	0.68	0.74
HDFC Corporate Debt Opportunities Fund..........	138.90	6.29	8.40	8.63	9.48	-	-	9.54
CRISIL Short Term Bond Fund Index		6.11	7.63	7.90	8.50	-	-	8.53
Excess Returns..		0.18	0.77	0.72	0.97	-	-	1.01
HDFC Medium Term Opportunities Fund...........	114.27	6.65	8.26	8.34	8.96	8.73	-	8.86
CRISIL Composite Bond Fund Index		5.06	8.07	8.12	9.70	8.60	-	8.16
Excess Returns..		1.59	0.20	0.22	-0.74	0.13	-	0.70
HDFC Cash Management Fund-Treasury Advantage Plan...	102.39	6.48	7.35	7.42	7.65	7.80	7.60	7.31
CRISIL Liquid Fund Index		6.84	6.98	7.33	7.74	8.08	7.57	NA
Excess Returns..		-0.36	0.37	0.09	-0.09	-0.28	0.03	
HDFC Short Term Opportunities Fund	99.16	6.60	7.77	7.98	8.55	8.58	-	8.75
CRISIL Short Term Bond Fund Index		6.11	7.63	7.90	8.50	8.56	-	8.24
Excess Returns..		0.48	0.14	0.08	0.04	0.02	-	0.51

HDFC Regular Savings Fund	52.83	6.25	7.91	8.39	9.03	8.78	8.91	7.99
CRISIL Short Term Bond Fund Index		6.11	7.63	7.90	8.50	8.56	8.10	NA
Excess Returns		0.13	0.28	0.49	0.53	0.22	0.82	

*Returns are for regular plan-growth option.

Scheme and relevant Benchmark*	**AUM as of March 31, 2018 *(₹ in billions)***	**1 Year**	**Performance CAGR ended March 31, 2018 (%) Year(s)** 2	3	4	5	10	**Since Inception**
		Liquid schemes						
HDFC Liquid Fund	283.65	6.59	6.90	7.33	7.74	8.08	7.80	7.28
CRISIL Liquid Fund Index		6.84	6.98	7.33	7.74	8.08	7.57	NA
Excess Returns		-0.25	-0.08	0.00	0.00	-0.01	0.23	
HDFC Cash Management Fund-Savings Plan	75.19	6.52	6.82	7.24	7.66	8.00	7.84	7.24
CRISIL Liquid Fund Index		6.84	6.98	7.33	7.74	8.08	7.57	NA
Excess Returns		-0.33	-0.16	-0.10	-0.08	-0.08	0.27	
HDFC Cash Management Fund-Call Plan	0.81	5.90	6.03	6.37	6.78	7.09	6.69	6.21
CRISIL Liquid Fund Index		6.84	6.98	7.33	7.74	8.08	7.57	NA
Excess Returns		-0.94	-0.95	-0.96	-0.96	-0.99	-0.87	

*Returns are for regular plan-growth option.

Scheme and relevant Benchmark*	**AUM as of March 31, 2018 *(₹ in billions)***	**1 Year**	**Performance CAGR ended March 28, 2018 (%) Year(s)** 2	3	4	5	10	**Since Inception**
		Other funds						
HDFC Gold Exchange Traded Fund	4.58	6.76	2.01	4.51	1.71	-0.29	-	6.20
Domestic Price of Physical Gold		7.98	3.12	5.67	2.83	0.78	-	6.98
Excess Returns		-1.22	-1.11	-1.16	-1.11	-1.07	-	-0.77
HDFC Gold Fund	2.19	5.31	2.96	3.79	-0.24	-0.77	-	0.12
Domestic Price of Physical Gold		7.98	3.12	5.67	2.83	0.78	-	2.06
Excess Returns		-2.67	-0.16	-1.88	-3.06	-1.54	-	-1.94
HDFC SENSEX ETF	0.41	12.68	15.54	-	-	-	-	14.20
S&P BSE SENSEX		12.70	15.62	-	-	-	-	14.16
Excess Returns		-0.03	-0.07	-	-	-	-	0.04
HDFC NIFTY ETF	0.57	11.66	15.86	-	-	-	-	14.42
NIFTY 50		11.76	15.95	-	-	-	-	14.61
Excess Returns		-0.10	-0.09	-	-	-	-	-0.18
HDFC Dynamic PE Ratio Fund of Funds	0.23	6.69	15.66	8.22	10.55	9.72	-	9.54
NIFTY 50 Hybrid Composite Debt 65:35 Index		9.58	13.22	7.69	11.42	11.91	-	11.17
Excess Returns		-2.89	2.45	0.53	-0.87	-2.19	-	-1.63

*Returns are for regular plan-growth option.

Product development cycle

We typically exercise discipline in launching new schemes and prefer to focus on growing our existing schemes. We launch new products only if they complement our existing suite of offerings. We have a dedicated product team that works closely with our investment team, sales and distribution team, marketing and compliance teams to create new products. Our product development team conceptualizes products based on specific market opportunities identified by the investment management team and on feedback received from our distributors and customers in relation to our existing portfolio. For example, in Fiscal 2018, we launched two equity-oriented schemes, including HDFC Equity Opportunities Fund (two series) and the HDFC Housing Opportunities Fund, each of which have distinct investment strategies aimed at catering to potential market opportunities we had identified.

Development of new products, obtaining approvals from relevant authorities, introducing new features and packaging for our products are key aspects of our product development cycle. Our teams conduct detailed trend analysis, competition analysis and seek feedback from internal and external stakeholders to identify opportunities to develop new products and features. We rely on quantitative factors, such as industry sizing and qualitative factors, such as sectoral development and competitive positioning, while conducting our research. Depending on the nature of the product or scheme, it may progress through some or all of our product development cycle stages of research and idea generation, screening and selection of ideas, concept development and testing of product features, approval of new products, and pre-marketing activities.

Systematic Transactions

Majority of our schemes have features that allow for regular investments or withdrawal, which we refer to as systematic transactions. We believe that, the systematic investment approach has become an extremely popular form of investing in the mutual fund industry as it offers customers the opportunity to invest smaller amounts over longer periods of time and helps mitigate the risk of market timing. We offer the following types of systematic transactions.

*Systematic Investment Plans ("**SIP**")*

SIP is a disciplined, risk mitigating and a convenient way to invest in mutual funds regularly. Customers have option to invest a fixed amount at regular intervals. Customers opting for SIPs are expected to benefit from rupee cost averaging, an investment technique of buying a fixed amount of a particular investment at regular intervals, regardless of the price. The customer purchases more units when the NAVs are low and fewer units when the NAVs are high. This technique allows a customer to invest over a period of time as opposed to purchasing units on a lump sum basis. SIPs encourages investment discipline among customers as a fixed amount is invested on a regular basis.

Features of SIP are as follows:

- *Amount:* A customer can start a SIP for as little as ₹500.00 per month.
- *Frequency:* We offer daily, monthly or quarterly SIPs and a customer may choose any date for starting SIP investment.
- *Top-up:* Under this facility, the SIP amount can be increased by a pre-determined amount on a yearly or half-yearly basis. This helps customers increase their investment in SIPs with the increase in their income. A customer has the flexibility to choose either top-up cap amount or top-up termination date in a given month or year.

*Systematic Transfer Plans ("**STP**")*

STPs allow customers to periodically transfer a certain amount of funds or units from one scheme to another at regular intervals. Customers looking to invest in a particular scheme over a period to tackle market volatility may choose to invest through STPs. Customers can avail this facility with an amount as low as ₹500.00.

We offer the following types of STPs:

- *Fixed STP:* Through fixed STPs, a pre-determined amount is transferred from one scheme to another. Fixed STPs offer plans that permit such transfers on a daily, weekly, monthly or a quarterly basis.
- *Capital appreciation STP***:** Through capital appreciation STPs, only the capital appreciation portion of the scheme is transferred to another scheme on a periodic basis. Capital appreciation STPs offer plans that permit such transfers on a monthly or quarterly basis.
- *Flex STP*: Through flex STP, a target market value of the investor's account is pre-defined by the number of instalments and the instalment amount. The instalment amount for any period is determined based on the shortfall to the target market value. The instalment amount and any shortfall amount to the target market value is transferred to the transferee scheme. If there is no shortfall to the target market value, the pre-determined instalment amount is the minimum transferred anyway. This would result in a higher amount

being transferred when the markets are low and lower amounts being transferred when markets are high, subject to the minimum initial instalment amount. Flex STPs offer plans that permit such transfers on a daily, weekly, monthly and quarterly basis.

- *Swing STP*: Through swing STP, a target market value of the investor's account is pre-defined by the number of instalments and the instalment amount. The instalment amount for any period is determined based on the shortfall or surplus to the target market value. An amount lower than the target market value is transferred to the transferee scheme, while an amount higher than the target value is transferred back to the transferor scheme. Swing STPs offer plans that permit such transfers on a weekly, monthly and quarterly basis.

*Systematic Withdrawal Advantage Plan ("**SWAP**")*

Customers in need for cash flow on a periodic basis may opt for this facility. We offer the following types of SWAP facilities:

- *Fixed SWAP***:** Through fixed SWAP, a fixed amount is redeemed from a scheme at a periodic intervals. Monthly, quarterly, half yearly or yearly withdrawals are available under this facility.

- *Variable SWAP***:** Through variable SWAP, only the capital appreciation portion or dividend of a scheme will be withdrawn on a periodic basis. Quarterly, half-yearly and yearly withdrawal is available under this facility.

Flex Index Plan

Flex Index Plan allows customers to transfer investments from debt and liquid schemes to equity-oriented schemes at predetermined closing S&P BSE SENSEX levels in four instalments.

Our Portfolio Management and Segregated Account Services' Business

As part of our portfolio management and segregated account services business, we offer discretionary, non-discretionary and advisory services to HNIs, family offices, domestic corporates, trusts, provident funds and domestic and global institutions. As of March 31, 2018, we managed AUM of ₹64.74 billion as part of our portfolio management and segregated accounts services' business. Additionally, as part of our portfolio management and segregated accounts services we provide non-binding investment advisory services to a fund which had an AUM of ₹4.69 billion as of March 31, 2018 and is managed by Standard Life Investments Global SICAV. We are registered with SEBI as a portfolio manager under the SEBI (Portfolio Managers Regulations), 1993.

Fees and Expenses

Pursuant to an investment management agreement with HDFC Trustee Company Limited, we provide investment management services to all the schemes of HDFC Mutual Fund and are entitled to management fees subject to limits set by SEBI.

We receive investment management fees (for managing HDFC Mutual Fund's schemes), which are computed as a specified percentage of the net assets of the relevant scheme. As our AUM increases, in general our fees correspondingly increase. Equity-oriented schemes generally have a higher fee structure compared to non-equity-oriented schemes, according to CRISIL. The SEBI (Mutual Funds) Regulations, 1996 also impose certain limits on the total expenses that can be charged to a scheme. For further details, see "*Regulations and Policies*" on page 201 of this Prospectus.

Fees for our portfolio management and segregated account are specific to each arrangement, and may vary between customers.

See "*Management's discussion and analysis of financial condition and results of operations – Factors affecting our results of operations – mix of our assets under management, investment management fee and expense structure*" on page 336 of this Prospectus, for more details on the fees that we receive and the expenses that we incur.

Customers and Distribution Channels

We market our products and schemes through our sales and customer services teams. As of March 31, 2018, we served customers in over 200 cities through our pan-India network of 209 branches (and a representative office in Dubai) and service centres of RTA. We had over 65,000 empaneled distribution partners across India as of March 31, 2018. Our distribution channels include banks, national distributors and IFAs. As of March 31, 2018, we had our sales and distribution team of 581 people and a customer services team of 295 people located across India serve our branches that focuses on managing and developing our distribution network and customer relationships. As of March 31, 2018, IFAs, national distributors and banks generated 27.6%, 21.0%, 17.3% of our AUM, respectively, while the remaining 34.1% was invested in direct plans. In terms of our equity-oriented AUM, IFAs, national distributors and banks generated 39.2%, 24.2%, 19.1% of our equity-oriented AUM, respectively, while the remaining 17.5% was invested in direct plans, as of March 31, 2018. We continually work towards deepening our relationships with existing distribution partners and expanding our distributor base, since we believe that having access to a large and diversified distribution network will help us build long-term individual customer franchise. We have been using our technology platform in order to improve overall customer and distributor experience. See "–*Information Technology*" on page 197 of this Prospectus for more details on our online portal and website.

The following table sets forth certain key details of our MAAUM on a customer basis, for the periods indicated:

	As of March 31,				
	2018	**2017**	**2016**	**2015**	**2014**
Individual* MAAUM *(₹ in billion)*	1,862.54	1,350.31	945.21	931.35	624.31
Institutional** MAAUM *(₹ in billion)*.	1,131.89	1,058.82	845.05	722.89	520.02
Individual* MAAUM as a percentage of total MAAUM (%)	62.2	56.0	52.8	56.3	54.6
Institutional** MAAUM as a percentage of total MAAUM (%)	37.8	44.0	47.2	43.7	45.4
Individual Live Accounts..................	8,045,402	6,150,163	5,546,068	5,138,654	4,436,796

*Individual customers include individual and Hindu Undivided Family ("**HUF**") Account
**Institutional include all non-individual and non-HUF accounts.

The following table provides a snapshot of the consistent increase in the number of our Live Accounts since Fiscal 2008.

	As of March 31,										
In millions	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Live accounts………	3.09	3.49	3.90	4.65	5.13	4.94	4.47	5.17	5.58	6.19	8.10

Operations

Our operations are broadly bifurcated into two important functions, the mutual fund operations ("**MFO**") and portfolio management services operations ("**PMSO**").

The MFO team is responsible for servicing customers of the Mutual Fund and segregated accounts. Their primary responsibilities include investment administration, banking, asset valuation and unit pricing, unit administration, overseeing customer service center operations and co-ordination with the RTA, redressal of customer grievances, anti-money laundering ("**AML**"), regulatory compliances/reporting and management information system. MFO are broadly classified into the following:

- *Investment administration operations*: This function ensures that investment decisions made by our investment team are executed and assets acquired or liquidated for respective schemes are either received or delivered against consideration. As required by SEBI regulations, we have appointed SEBI registered custodians for all of our schemes. Custodians hold our securities and facilitate trade settlements.

- *Banking operations*: We maintain relationships with leading banks in India for the smooth completion of our customer's investments in our schemes. These banks collect funds from customers for subscription of units and facilitate prompt payout of funds to customers against redemptions requested and dividends declared. We facilitate all banking services offered by our banks to our customers and as part of our digital initiatives we have been encouraging our customers to use our online services.

- *Fund accounting operations*: Accounting of our schemes is carried out by our in-house team and all assets held by respective schemes are valued on a daily basis in accordance with the valuation policy of the respective schemes. We account for the units subscribed or redeemed, trades executed, valuation of securities, accrual of incomes and expenses on a daily basis and the NAV of the respective scheme or plan is computed. NAV information is disseminated to RTA and to customers.

- *Unit administration at Computer Age Management Service (“**CAMS**”)* – We have appointed CAMS to be our RTA to manage the unit administration for all our schemes. CAMS’ services ranges from acceptance of transactions at their front offices to allotment of units, issuing account statements, computation and payment of brokerage to distributors, dividend and redemption processing and support digital initiatives. CAMS has a centralized business model with their main operations located in Chennai and Coimbatore, India.

- *Investor service centers (“**ISC**”) operations* – We endeavor to ensure consistent service to customers through ISCs while maintaining regulatory standards. The service standards are defined keeping in mind regulatory and risk management considerations. A front office application is provided by the RTA to all ISC personnel to address most of the customer service requirements. Additionally, a bespoke customer service application is used by ISCs for recording interactions with customers.

- *AML* - We have put into place processes, controls and checks to ensure that the provisions of Prevention of Money Laundering Act, 2002 and Prevention of Money Laundering (Maintenance of Records) Rules, 2005 are adhered to.

- MIS and regulatory reporting - The RTA is the repository of all information relating to customers’ transactions. Reports received from RTA are customized to provide sales related MIS to a wide spectrum of users from the senior management to the sales personnel as well as to regulators from time to time.

We provide portfolio management services, including discretionary, non-discretionary and advisory services, to HNIs, family offices, domestic corporates, trusts, provident funds and domestic and global institutions. PMSO team performs functions such as, post trade investment support, cash management, treasury and settlement functions, recording of transactions in the books of accounts of the respective clients, valuation of securities in the clients’ portfolios, providing various reports to management, liaising with bankers and custodians. We manage the accounting of the portfolio services in-house and provide an audited statement of accounts to our customers at the end of the concerned financial year. A robust web based integrated application system catering to the front office, back office and client reporting is in place to take care of the portfolio management and segregated account and advisory services’ business. The PMSO is independent of our MFO and is conducted on an arms-length basis with a separate set of systems and teams.

All operational activities are subject to audit. We have appointed internal auditors that perform transactional and risk based audit, and process reviews on a regular basis. We have appointed auditors as required under relevant regulations for our schemes and the portfolio management and segregated account services. They audit the Mutual Fund scheme accounts and the customer’s accounts in respect of the Portfolio Management Service. An auditor also periodically audits application systems used by us and there are regulatory audits conducted by SEBI appointed auditors to report on various SEBI compliances. Our audit committee reviews the auditors’ reports and these reports are placed before our board and the board of our Trustee Company.

Systems and processes form the backbone of our operations with extensive focus on internal controls, minimizing operational risks, scalability and bringing about efficiency to meet various timelines. We continuously endeavor to keep upgrading our systems and re-engineer our processes to ensure maintenance of a very high standard of regulatory compliance and governance.

Marketing and Digital Initiatives

Our marketing function aims to capitalize on the opportunities available in the mutual fund industry in India, due to low awareness and penetration of the sector amongst Indian audiences. Our audience can be divided into two broad segments, customers and distributors. Customers can further be categorised as existing customers and prospective customers. Based on this categorization, we have divided our marketing objectives into two:

- Product communication meant for current and prospective customers and distributors

- Communication for mutual fund awareness for prospective customers

As part of the product communication objective, we cover regular updates on our schemes through various modes, such as presentations, leaflets, posters, fact sheets and videos. We also support our distributors with sales material and ideas that they can use in their interaction with customers. As part of our customer awareness communication objective we cover topics such as importance of financial planning and investing, planning for children, retirement and other financial goals, understanding asset classes and power of compounding, amongst others programs.

We engage with our audience through television, radio, outdoor marketing, digital and social media. To reach out to our current customers, in addition to the above, we effectively employ our website, emailers and SMS systems amongst others.

We aim to leverage the power of internet to reach out to our customers and distributors. We have a strong online presence via our digital platform for customers and distribution partners. We offer our services through our online portal, HDFC MFOnline and our mobile applications.

Compliance

Through our compliance function we monitor our compliance with applicable regulatory requirements laid down by SEBI and other related regulations that are applicable to us.

Various internal policies and procedures have been established to enable compliance. We have a Compliance Manual, which lists the applicable regulatory requirements, regulatory timelines and assigns responsibility to the concerned business functions for compliance. We have Employees Securities Dealing Codes to regulate personal investment transactions and policies such as the Conflicts of Interest Policy, Outsourcing Policy and Social Media Policy for internal compliance.

Each business function also has certain compliance responsibilities pertaining to their areas of operation to ensure compliance on an ongoing basis. Accordingly, we have established procedures, policies and manuals such as the investment manual, operations manual, valuation policy, voting policy and client services manual. These policies and manuals are reviewed and updated periodically. We have established a certification process, through which each business function confirms compliance with the regulatory requirements on a periodic basis.

Our compliance team stays abreast of the new regulatory requirements and communicates the same to the relevant functions along with meaningful inputs for implementation. The compliance team monitors compliance requirements using a software system and reviews the implementation status of various requirements.

External independent internal auditors have been appointed to review activities of each department and function, including the compliance function. They review the compliance reports before they are submitted to our Board and the concerned regulators. Periodical SEBI inspections and statutory audits are conducted which review and assess the compliance status.

Other responsibilities of our compliance team include drafting and issuing product offer documents, issuance of notices and addenda related to scheme and product offerings, reviewing marketing materials before dissemination, timely filing of various reports with our Board and with concerned regulators and agencies. The compliance team also oversees redressal of customer grievances.

Our compliance function is an interface between us and various regulators and agencies, such as SEBI, the Reserve Bank of India, the Association of Mutual Funds in India, depositories and stock exchanges. The Chief Compliance Officer updates our Board and our Audit Committee at their meetings on various compliance matters.

Risk Management

Our risk management practices have been designed and implemented taking into consideration the varying needs of our organization, operating structure, business operations and regulatory requirements. Our risk management philosophy clearly defines the three lines of defense within the organization. Our Board approved policy details out our approach to the risk management and the roles and responsibilities of all stakeholders.

The Audit Committee is responsible for overseeing the risk management framework, reviewing the key risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures. The Management is also responsible for ensuring that the risk management framework is effectively implemented within all areas of their respective functions.

Risk assessment and mitigation strategy is an integral part of the organization's annual business reviews. The key risk management activities include Investment Risk, Operational & Regulatory Risk and Business Continuity and Disaster Recovery Management. Close monitoring and control processes, including the establishment of appropriate key risk indicators and key performance indicators are put in place to ensure that risk profiles are managed within policy limits.

We have a formal programme for risk and self-assessment whereby risk owners are involved in the ongoing assessment and improvement of risk management and controls. Additionally, internal audit carries out internal control reviews and provides an independent report to the Audit Committee on the adequacy and effectiveness of the risk management and internal controls of the organization. Our statutory auditor carries out a review of our internal controls over financial reporting to the extent of the scope as laid out in their audit plans. Any material non-compliance and internal control weaknesses are reported to the Audit Committee.

The systems that are in place are intended to provide reasonable but not absolute assurance against material misstatements or loss, as well as to ensure the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with applicable legislation, regulations and best practices, and the identification and management of business risk.

Customer Service

Customers are the focal point of our service delivery model and we intend to continue servicing them efficiently.

As of March 31, 2018, we serviced over 8.10 million Live Accounts, a majority of which is held by domestic individual investors. Customers today are highly informed and expect a service standard, which meets all their requirements in a fast and highly efficient manner. CAMS, our RTA is also equally involved in the service delivery chain to our end customer. It becomes imperative that adequate emphasis is laid on ensuring that the services delivered at the Investor Service Centers of our RTA is of a high standard. We engage closely with our RTA to ensure that their processes, systems and staff training are aligned to our standards.

Our customers connect with us through our pan-India network of 209 branches (and a representative office in Dubai) and the service centre of our RTA, a national call center, email, SMS and social media, amongst others. Our branches and service centers cater to the requirements of all investors including information regarding KYC and on-boarding requirements, requests for statements of accounts, and processing of transactions.

Our measure of service efficiency is directly related to the number of complaints received. Complaints are often analyzed periodically to assess them for systemic, human, operational or other factors. A root cause analysis is carried out to ensure non-recurrence and resolve other related matters that resulted in such complaints. We endeavor to constantly refine and redefine our processes that warrant changes or are impediments to operational efficiency. Complaints as a percentage of transactions has fallen from 0.0267% in Fiscal 2015 to 0.0131% in Fiscal 2018, and complaints as a percentage of Live Accounts has fallen from 0.1187% in Fiscal 2015 to 0.0710% in Fiscal 2018.

Training and Investor Education

We have always been at the forefront for innovative ideas to engage our distributors under our Learning & Development academy, LEAP (Learn.Evolve.Achieve.Progress). LEAP provides various classroom based learning interventions covering technical skills, functional skills, life skills and experiential learning modules. Many distributors have undertaken these courses with us. Through LEAP we customise the training program as per the audience, such as an advanced customised learning program or a facilitator-led program, and intend to continue preparing well thought and high quality training modules. We believe in integrating content with technology to provide the best in-class learning. We endeavour that our participants go through a unique contextual methodology of learning as opposed to the conventional approach to learning.

The mutual fund industry actively tries to improve financial literacy and awareness in India. The Association of Mutual Funds in India has been set up as a central agency to set appropriate standards throughout our industry. We strive to uphold these standards, and further implement various programmes and events to educate the public on investing in mutual funds. These include investor awareness programmes, which we conduct across India. We also run an investor education website, which caters to investors at different levels of investment expertise. We also provide resources on our websites to help investors and advisers make their investment decisions. Additionally, in accordance with the SEBI Mutual Fund Regulations, we are required to set aside certain amount of money, on an annual basis, towards investor education and awareness initiatives

Information Technology ("IT")

We believe that IT is one of the key catalysts that contributes to the seamless functioning of our organization and, maintaining a high standard of IT readiness has always been a key focus area for us. IT is intrinsic to our operation and embedding IT systems in the functioning of each area increases efficiency and productivity. IT plays a significant role in our operations, customer service, dealing, research, risk management and all other support functions. The role of IT as a facilitator in business development is also growing continuously.

We continuously evaluate our IT environment and have been upgrading our IT infrastructure and application software on a regular basis. HDFC has been appointed pursuant to an agreement as our technology partner to maintain our IT infrastructure, networks and IT security and provide services on IT hardware and software procurement. We have also entered into arrangements with reputed vendors to provide us with IT Infrastructure management services, end user support and data centre services.

The IT infrastructure and application software are selected after objective evaluation and due diligence. We compare our IT products with similar IT infrastructure and application software available to ensure that we arrive at optimal solutions for our business objectives. Application software is implemented after performing successful user acceptance tests, security testing and validation by independent systems auditors. Critical applications are also subjected to review by an independent agency before they are operationalized.

Cyber Security is of paramount importance and our IT assets are subjected to continuous review by independent agencies. Vulnerability assessments are also carried out from time to time. Proactive measures are taken to ensure that our systems are adequately protected against external threats. These are subject to intense scrutiny and validations in the systems audit.

Considering the nature of the business and scale of operation, we need to ensure that we are able to perform our key operations in the event of a disaster, man-made or otherwise. To ensure that there is minimal impact in the event of any contingency, we have devised a robust Disaster Recovery and Business Continuity plan which is tested on regular basis. Our IT infrastructure and application software are periodically subjected to an independent third party audit to ensure the efficacy of the same.

Digital Platforms

We endeavor to build our digital properties for partners and customers, using latest technologies available in the market, which we believe ensure scale, fault tolerance, and security. The entire suite of applications is stateless and distributed ensuring high availability. Support for omni-channel presence enables a seamless user experience. This design also facilitates faster launch to the market and ease of working with ecosystem partners. Our partner portal and mobile application (MFOnline Partners) for IFAs supports transactions and reports for end customers along with all reports and tools, including financial planning and digital marketing to help IFAs better manage their business digitally. Our customer portal and mobile application, MFOnline Investors enables digital transactions, reporting and host of other services for end customers.

Our website has been designed to provide an optimal user experience backed by well organised content, search engine optimization, effective calls to action and analytical tools to drive insights for personalization. It has been built on a custom content management system and enriched with multiple tools to address information needs of our customers and distributors. Additionally, we are also enabling our employees through a mobile application for the sales force. To enable ease of transition from existing to digital way of working we are experimenting with different initiatives such as contact centre services for initiating transactions.

In Fiscal 2018, approximately 14.4% of all our transactions were through HDFC MFOnline and our mobile applications. Electronic transactions grew at a CAGR of 46.2% from Fiscals 2015 and 2018. Electronic transactions formed 41.0% of all our transactions in Fiscal 2017 and 50.8% in Fiscal 2018.

Human Resources

We firmly believe that our human resource and our culture are intrinsic to our continued success and it plays a significant role in providing us with a competitive advantage. We believe that given our employer brand, working environment, culture and compensation structure, we are able to attract and retain talent. This is demonstrated by our low annual average attrition rate as an organization of 11.28%, and that of middle and senior management of 2.38% and of investment team at 4.80% since Fiscal 2015 to Fiscal 2018. As on March 31, 2018, we have 1,010 employees on the rolls of company. The following table sets forth details of our employees by function for the period indicated:

	As at March 31,					
	2016		**2017**		**2018**	
Function	**Number of employees**	**% of total**	**Number of employees**	**% of total**	**Number of employees**	**% of total**
Administration	13	1.9%	12	1.5%	12	1.2%
Client Funds	6	0.9%	5	0.6%	5	0.5%
Client Services	213	31.6%	239	29.0%	295	29.2%
Compliance and Risk Management	18	2.7%	17	2.1%	17	1.7%
Corporate Client Services and Digitization	17	2.5%	19	2.3%	19	1.9%
Dealing and Investments	26	3.9%	27	3.3%	28	2.8%
Financial Control	15	2.2%	15	1.8%	16	1.6%
Human Resources	6	0.9%	9	1.1%	9	0.9%
Managing Director's Office	2	0.3%	2	0.2%	2	0.2%
Operations	25	3.7%	27	3.3%	26	2.6%
Sales	333	49.4%	453	54.9%	581	57.5%
Total	**674**	**100.0%**	**825**	**100.0%**	**1010**	**100.0%**

Note: The table above includes active resignees and excludes members of the Real Estate Portfolio team since Fiscal 2016.

We undertake significant efforts in identifying and evaluating new talent to support the growth of our organisation. We believe in attracting and retaining employees to build a sound base of knowledge and expertise for the future. We also provide many opportunities for movement and growth to existing employees through transfers, reassignments and internal job posting.

We believe in providing a safe, conducive and healthy work environment to all our employees. Employees are encouraged to develop new skills and acquire relevant certifications that help them grow professionally. We continuously invest in our employees and encourage them to participate in various learning and development opportunities to stay up to date.

We have institutionalized a regular and formal performance appraisal system for our employees, under which we assess our employees on certain key result areas based on the function and role they perform. In addition, we seek formal feedback from our employees on regular basis and continuously improve our systems and processes. Our compensation and benefit practises are designed to provide a competitive remuneration to our employees based on their performance, roles and responsibilities. Employee compensation and benefits are reviewed annually. We aim to continue being a compliant, safe and equal opportunity employer.

Employee ownership is an integral part of our culture. Our employees reward and compensation structure is developed based on three key elements, assured pay, benefits, performance related pay, and employee stock option schemes. These elements have helped align the employees reward structure with the company's operational and financial goals.

Corporate Social Responsibility Initiatives

We have adopted a Corporate Social Responsibility policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. We have been actively engaged in the areas of healthcare including preventive healthcare, promotion of sports and education.

Our flagship corporate social responsibility initiative was initially launched in 2011, ahead of the Companies (Corporate Social Responsibility Policy) Rules, 2014 with the launch of a first-of-its-kind mutual fund product with the objective of generating funds to provide financial assistance for securing treatment to needy and underprivileged cancer patients across India in association with the Indian Cancer Society ("**ICS**"). We endeavor to leverage our strong distribution network and investment understanding to promote this scheme. HDFC Cancer Cure Funds aim to protect the principal amount invested, with the dividends being donated to the ICS according to the customer's mandate. We do not charge investment and management fees to manage funds for cancer cure. Additionally, these donations are eligible for exemptions under the Indian Income Tax Act. In support of this social objective, we are committed to match the donation of dividends by contributing an equal amount thereby doubling the impact of donations. The first scheme collected ₹0.77 billion in Fiscal 2011, the second one ₹1.71 billion in Fiscal 2014 and the third one ₹3.08 billion in Fiscal 2017. As of March 31, 2018 HDFC Cancer Cure Funds series has helped treat over 4,500 cancer patients across India.

In line with our CSR policy, we have also partnered with the following CSR partners, amongst others:

- the Society for Rehabilitation of Crippled Children's Hospital ("**SRCC**") for building and setting up a super-specialty children's hospital, SRCC Children's Hospital;
- The Childs Trust Medical Research Foundation and the Childs Trust and the Ray of Light Foundation for providing medical assistance to cancer affected children;
- Olympic Gold Quest, a foundation for the promotion of games and sports in India. This program seeks to bridge the gap between the best athletes in India and the best athletes in the world, to promote Indian Olympic gold medal winners; and
- United Way of Chennai towards their Born Learning initiative, which aims at holistic early childhood development, education and growth.

Competition

Our fee structure and our expenses depend on the competitive landscape in which we operate. We face significant competition from companies seeking to attract customers' financial assets, including other mutual fund companies, traditional and online brokerage firms and other financial institutions.

The financial services industry in India is rapidly evolving and intensely competitive. Our key competitors in the mutual fund space include ICICI Prudential Asset Management Company Limited, Reliance Nippon Life Asset Management Company Limited, Aditya Birla Sun Life AMC Limited, SBI Funds Management Private Limited and UTI Asset Management Company Limited, amongst others. Mutual funds also compete with products such as insurance, bank deposits, pension products, small savings schemes, as well as gold and real estate. Increased competition may either decrease market share of our AUM or increase brokerage or commission costs, and other acquisition costs which could reduce our profits. See "*Risk Factors—We face competition from other asset management companies, alternate investment funds and other companies providing portfolio management and segregated accounts services"* on page 25 *"Industry Overview"* on page 139, respectively, of this Prospectus.

While we are in the process of setting up our AIF business, we also face competition from other AIFs in India. The new AIF regulations allows more flexibility in structuring various kinds of funds. We also face competition from other companies that provide portfolio management and segregated accounts services.

Insurance

We have the Mutual Fund Asset Protection Policy and Crime Insurance Policy, which provides for coverage of professional liability, management liability and crime coverage. This policy also provides for service provider liability coverage for our registrar and transfer agent and custodians. Both policies cover us as the investment manager to HDFC Mutual Fund, including all our employees, directors and the trustee company of HDFC Mutual Fund. We also maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include group term life insurance, group mediclaim, group personal accident policy and future service gratuity liability.

Intellectual Property

We use, among others, the name, brand and trademark “HDFC”, “HDFC Mutual Fund”, “HDFC Asset Management Company” and associated logos in the ordinary course of our business and in our corporate name. The trademark “HDFC” is owned by, and is registered in favour of HDFC. Pursuant to a resolution by HDFC’s board of directors HDFC granted us the non-exclusive right to use the trademark, “HDFC”, which is not currently subject to any terms and conditions.

Properties

Our registered office is situated at HDFC House, 2nd Floor, H. T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai - 400 020. As of March 31, 2018, we had 209 branches across India and a representative office in Dubai.

REGULATIONS AND POLICIES

The following is a brief overview of certain specific Indian laws and regulations which are relevant to our Company's business. The overview set out below is not exhaustive and is only intended to provide general information, and is neither designed, nor intended, to be a substitute for professional legal advice. For details of government approvals obtained by our Company in compliance with these regulations, see "Government and Other Approvals" beginning on page 373 of this Prospectus. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

SEBI Mutual Fund Regulations

Overview

The SEBI Mutual Fund Regulations define a mutual fund as "*a fund established in the form of a trust to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities, including, money market instruments or gold or gold related instruments or real estate assets*". The SEBI Mutual Fund Regulations govern a wide range of issues in relation to a mutual fund including eligibility of the sponsor, asset management company ("**AMC**") and the trustee, registration of the mutual fund and appointment of the AMC, procedure for launch of schemes, management of a mutual fund and winding up of a scheme. SEBI also issues circulars, guidelines and notifications under this regulation from time to time, amongst other things, for the benefit and protection of the investors. SEBI may grant a certificate of registration to a mutual fund, subject to terms and conditions as laid down and subject to compliance of all directives, guidelines and/or circulars issued by SEBI from time to time. The sponsors of the mutual fund settle the trust through a trust deed. The schemes of the mutual fund are launched and managed by an AMC appointed by the board of trustees or a trustee company of the mutual fund trust pursuant to an investment management agreement.

Eligibility and appointment of an AMC

Under the SEBI Mutual Fund Regulations, an AMC is defined as a company registered under the Companies Act which has received the approval of SEBI to act as an AMC to a mutual fund. To obtain SEBI's approval, an AMC has to be compliant with the prescribed eligibility criteria which includes, amongst other things,

(a) the directors of the AMC have adequate professional experience in finance and financial services and have not been found guilty of moral turpitude or convicted of an economic offence or violation of securities laws;

(b) the key personnel of the AMC have not been found guilty of moral turpitude or convicted of an economic offence or violation of securities laws or worked for any AMC or mutual fund or any intermediary during the period when its registration was suspended or cancelled by SEBI;

(c) at least one half of the board of directors of the AMC should not be associated in any manner with the sponsor of the trust or any of its subsidiaries or the trustees;

(d) the chairman of the AMC should not be a trustee of any mutual fund;

(e) the net worth of the AMC should not be less than ₹500 million; and

(f) the AMC is a fit and proper person.

Further, in case the AMC is an existing AMC, it must have a sound track record, general reputation and fairness in transactions.

The approval from SEBI is subject to the continued compliance by the AMC with the terms and conditions of the SEBI Mutual Fund Regulations.

Either the sponsor, or, if the power has been given under the trust deed to the trustee, then the trustee shall appoint the AMC approved by SEBI for the investment and management of funds of the schemes of the mutual fund. The trustee and the AMC are mandated under these regulations to enter into an investment management agreement in accordance with the SEBI Mutual Fund Regulations.

Functioning of the AMC

The SEBI Mutual Fund Regulations regulate the functioning of the AMC. The AMC is prohibited from acting as a trustee to any mutual fund. Additionally, the AMC cannot undertake any business activities other than in the nature of management and advisory services provided to pooled assets, undertake portfolio management services and advisory services to non broad based funds, subject to satisfaction of certain conditions prescribed under the SEBI Mutual Fund Regulations. The obligations of the AMC include *inter alia* a duty on the AMC to exercise due diligence and care in its investment decisions, be responsible for the acts of commission or omission by its employees or other persons whose services are procured by the AMC, to obtain in-principle approvals from the stock exchanges where the units of the schemes of the mutual fund are proposed to be listed, the AMC or its directors or officers not being absolved of any liability to the mutual fund for their acts of commission or omission while holding such position or office, AMC and the sponsor of the mutual fund being liable to compensate affected investors and/or the scheme for any unfair treatment to any investor as a result of inappropriate valuation, and the AMC to submit quarterly reports to the trustees on its activities and compliance with the regulations, amongst others.

The SEBI Mutual Fund Regulations also provide the trustees with the responsibility of overseeing the functioning of the AMC. The trustees have the right to obtain from the AMC information that they deem to be necessary. The board of directors of the AMC can be appointed only with the prior approval of the trustees. The trustee is also required to ensure that before launch of any scheme, the AMC has appointed all key personnel including the fund manager for the scheme(s) and submitted their biodata within 15 days of appointment. The trustees are also required to ensure that the AMC has appointed requisite compliance officer and registrar. Further, the trustees shall also ensure that specified norms for empanelment of brokers and marketing agents, and the requirement to obtain prior in-principle approval where units are proposed to be listed, are complied with. The trustees are required to ensure that the schemes that are floated by the mutual fund are managed by an AMC and that the AMC has not given any undue advantage to any of its associates in any manner detrimental to the interest of the unit holders. The trustees shall also ensure that the transactions of the mutual fund are in accordance with the provisions of the trust deed. Further, the trustees are required to periodically review the complaints that have been received from the investors by the AMC as well as redressal of the same.

Shareholding in an AMC

Under the SEBI Mutual Fund Regulations, the sponsor of the mutual fund is required to contribute at least 40% to the net worth of the AMC. Further, any person who holds 40% or more of the net worth of an AMC is deemed to be a sponsor and is required to fulfil the eligibility criteria for sponsors under the SEBI Mutual Fund Regulations. A change in controlling interest in an AMC requires prior approval of the trustee and SEBI, together with a written communication about the proposed change being sent to each unitholder, an advertisement on the proposed change being published in two newspapers and an exit option being given to the unit holders of all the schemes of the mutual fund to exit from the schemes on the prevailing net asset value without any exit load. Under the SEBI Mutual Fund Regulations, the term 'control' is defined to mean: (i) in the case of a company any person or combination of persons who directly or indirectly, own, control or hold shares carrying not less than 10% of the voting rights of such company; (ii) as between two companies, if the same person or combination of persons directly or indirectly, own, control or hold shares carrying not less than 10% of the voting rights of each of the two companies; or (iii) majority of the directors of any company who are in a position to exercise control over the AMC.

Removal of the AMC

Under the SEBI Mutual Fund Regulations, the appointment of the AMC may be terminated by majority of the trustees or by 75% of the unit holders of the schemes of the mutual fund. However, any change in the appointment of the AMC is subject to prior approval of SEBI and the unit holders of the schemes of the mutual fund.

Seed investment in open ended schemes

For each open ended scheme of the mutual fund, the sponsor or the AMC is required to invest in the growth option of the scheme an amount which is lesser of (a) 1% of the amount (i) raised in the new fund offer for a new scheme or (ii) the assets under management of an existing scheme, or (b) ₹5 million, and such an investment cannot be redeemed unless the scheme is wound up.

Expenses and reimbursement

SEBI has prescribed certain categories of expenses that can be charged to mutual fund schemes by the AMC, as well as the maximum expenses a mutual fund scheme can incur as expenses, and prohibited certain categories of expenses from being so charged to mutual fund schemes. Mutual Funds are permitted to charge certain operating expenses for managing a scheme that is, sales and marketing / advertising expenses, administrative expenses, transaction costs, investment management fees, registrar fees, custodian fees, audit fees, amongst others, as a percentage of the scheme's daily net assets. TER charged to the scheme is the cost of running and managing a scheme. All expenses incurred by a scheme are required to be managed by the asset management company within the limits specified under the SEBI Mutual Fund Regulations.

However, if the actual expenses incurred by the funds/ schemes managed by the AMC exceed the limits prescribed by SEBI, such expenses shall be borne by the AMC or trustee or sponsors.

Restrictions on business activities of the AMC

The AMC shall not undertake any business activities other than in the nature of management and advisory services provided to pooled assets including offshore funds, insurance funds, pension funds, provident funds, or Category I FPIs as specified in SEBI FPI Regulations, if any of such activities are not in conflict with the activities of the mutual fund

Provided that the AMC may, itself or through its subsidiaries, undertake such activities, if, -

(i) it satisfies SEBI that bank and securities accounts are segregated activity wise;

(ii) it meets the capital adequacy requirements, if any, separately for each such activity and obtains separate approvals, if necessary under the relevant regulations;

(iii) it ensures that there is no material conflict of interest across different activities;

(iv) the absence of conflict of interest shall be disclosed to the trustees and unit holders in the scheme information document and the statement of additional information;

(v) if there are unavoidable conflict of interest situations, it shall satisfy itself that disclosures are made of source of conflict, potential 'material risk or damage' to investor interests and detailed parameters for the same;

(vi) it appoints separate fund manager for each separate fund managed by it unless the investment objectives and asset allocation are same and the portfolio is replicated across all the funds managed by the fund manager. The requirements of this clause shall not apply if the funds managed are of Category I FPIs and/or Category II FPIs which are appropriately regulated broad based funds, as specified in SEBI FPI Regulations;

(vii) it ensures fair treatment of investors across different products that shall include, but not be limited to, simultaneous buy and sell in the same equity securities only through market mechanism and a written trade order management system; and

(viii) it ensures independence to key personnel handling the relevant conflict of interest is provided through removal of direct link between remuneration to relevant AMC personnel and revenues generated by that activity:

However, the AMC may, by itself or through its subsidiaries, undertake portfolio management services and advisory services for other than broad based funds till further directions, as may be specified by SEBI, subject to compliance with the following additional conditions:-

(i) it satisfies SEBI that the key personnel of the AMC, the system, back office, bank and securities accounts are segregated activity wise and there exists systems to prohibit access to inside information of various activities;

(ii) it meets the capital adequacy requirements, if any, separately for each such activity and obtains separate approvals, if necessary, under the relevant regulations.

However, the AMC may become a proprietary trading member for carrying out trades in the debt segment of a recognised stock exchange, on behalf of a mutual fund.

SEBI (Mutual Funds) (Amendment) Regulations, 2018

On March 13, 2018, SEBI notified the SEBI (Mutual Funds) (Amendment) Regulations, 2018, stating norms for shareholding and governance in Mutual Funds, whereby, no sponsor of a mutual fund, its associate or group company including the AMC of the mutual fund, through the schemes of the mutual fund or otherwise, individually or collectively, directly or indirectly, shall have (a) 10% or more of the shareholding or voting rights in an AMC or trustee company of any other mutual fund; or (b) representation on the board of directors of an AMC or the trustee company of any other mutual fund.

Additionally, any shareholder holding 10% or more of the shareholding or voting rights in an AMC or trustee company of a mutual fund, shall not have, directly or indirectly, (a) 10% or more of the shareholding or voting rights in an AMC or trustee company of any other mutual fund; or (b) representation on the board of directors of an AMC or the trustee company of any other mutual fund.

Any person not in confirmity with the shareholding limits prescribed above as on March 13, 2018 shall be required to comply with the same on or prior to March 12, 2019.

SEBI Portfolio Manager Regulations

The SEBI Portfolio Manager Regulations govern the functioning of portfolio managers. As per this regulation, 'portfolio' means the total holdings of securities belonging to any person and a 'portfolio manager' is a person who pursuant to a contract or arrangement with a client, advises or directs or undertakes on behalf of the client (whether as a discretionary portfolio manager or otherwise), the management or administration of a portfolio of securities or the funds of the client, as the case may be. Any person proposing to provide any portfolio manager services is required to be registered as a 'portfolio manager' with SEBI under the said regulations. Prior to the SEBI (Change in Conditions of Registration of Certain Intermediaries)(Amendment) Regulations, 2016, the certificate of registration was valid for a period of three years from the date of its issue. After the amendment, the certificate of registration is valid till it has been suspended or cancelled by SEBI. As specified by regulation 6A, to determine whether the portfolio manager is a fit and proper person, SEBI may take into account the criteria as laid down under Schedule II of Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

The SEBI Portfolio Manager Regulations requires the portfolio manager to segregate each client's funds and portfolio of securities and keep them separately from his own funds and securities and be responsible for safe keeping of the client's funds and securities. The portfolio manager, before taking up an assignment of management of funds or portfolio of securities on behalf of the client, is required to enter into an agreement in writing with the client clearly defining the inter se relationship and setting out their mutual rights, liabilities and obligations relating to the management of funds or portfolio of securities containing the details as specified in Schedule IV of the regulations. For the purposes of investment and management of portfolios, the portfolio manager is required to adhere to the terms and conditions specified in the agreement between the client and the portfolio manager.

Prior to entering into such agreement, the portfolio manager must provide to the client a disclosure document as specified in Schedule V of the regulations and which shall contain portfolio risks, complete disclosures in respect of transactions with related parties as per the accounting standards specified by the Institute of Chartered Accountants of India in this regard and the financial performance of the portfolio manager based on the audited financial statements of the portfolio manager for the immediately preceding three years. This disclosure document should be certified by an independent chartered accountant and filed with SEBI before circulation and before issuance to any other party, and six months thereafter or earlier, in the event of a material change in the document.

The portfolio manager shall, in compliance with the SEBI Portfolio Manager Regulations, furnish periodical reports to the client which shall contain all the necessary details of the portfolio so being managed for the client. In addition, every portfolio manager is required to abide by the code of conduct laid down under Schedule III of the SEBI Portfolio Manager Regulations. Further, in order to observe high standards of integrity and fairness in all its professional dealings, the portfolio manager must under all circumstances avoid any conflict of interest in his decisions in the capacity of a portfolio manager and accordingly disclose to his clients all such circumstances, as and when a conflict of interest may arise. A portfolio manager is required to ensure fair treatment to all its customers.

SEBI AIF Regulations

Under the SEBI AIF Regulations, a 'manager' is a person or an entity who has been appointed by the AIF to manage its investments. The manager of the AIF can also be the sponsor of the AIF. For Category I and II AIFs, the manager or the sponsor of the AIF are required to maintain a continuing interest in the AIF of not less than 2.5% of the corpus or ₹50 million, whichever is lower. For Category III AIFs, the manager or the sponsor of the AIF are required to maintain a continuing interest in the AIF of not less than 5% of the corpus or ₹100 million, whichever is lower. A certificate of registration is mandatory for an entity or a person to act as an AIF and such certificate shall be granted, subject to compliance with the requisite conditions under the SEBI AIF regulations. The registration of the AIF is, amongst other things, also dependent on the ability of the manager to effectively discharge its activities by having the necessary infrastructure and man power. The manager is required to be a 'fit and proper person', based on the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008. The obligations of the manager include maintenance of records, addressing the complaints of the investors, taking steps to address conflicts of interest, ensuring transparency and providing all information sought by SEBI. The manager is also required to establish and implement written policies and procedures to identify, monitor and appropriately mitigate conflicts of interest throughout the scope of business. If the corpus of an AIF is more than ₹5,000 million, the manager, sponsor or AIF is required to appoint a custodian registered with SEBI for safekeeping of securities. However, irrespective of the size of the corpus of the AIF, the sponsor or manager of category III AIF shall appoint such custodian.

Other Regulations and Circulars

SEBI Circular on categorisation and rationalisation of mutual fund schemes

On October 6, 2017, SEBI issued a circular in relation to categorisation and rationalisation of mutual fund schemes, which was subsequently modified by a circular issued by SEBI on December 4, 2017. These circulars prescribe the guidelines for categorisation and rationalisation of mutual fund schemes in order to bring in uniformity in the characteristics of similar type of schemes launched by different mutual funds.

In terms of these circulars, mutual fund schemes are classified under five groups, namely, equity schemes, debt schemes, hybrid schemes, solution oriented schemes and other schemes. These five groups are further divided into various categories, including multi cap fund, large cap fund, mid cap fund, small cap fund, dividend yield fund, liquid fund, money market fund, short duration fund, medium duration fund, long duration fund, dynamic bond, corporate bond fund, gilt fund, floater fund, arbitrage fund, conservative hybrid fund, retirement fund, children's fund and index fund. Further, the investment objective, investment strategy and benchmark of each existing scheme is to be suitably modified to be aligned with the relevant category. Only one scheme for each category would be permitted, with the following exceptions - (a) index funds/exchange traded funds replicating or tracking different indices; (b) fund of funds having different underlying schemes; and (c) sectoral/thematic funds investing in different sectors/themes.

Further, mutual funds are required to analyse each of their existing schemes in light of the specified categories and submit their proposals to SEBI, upon receipt of due approvals from their trustees. Such proposals are required to specify the course of action such as winding up, merger or changes in the fundamental attributes in respect of the existing schemes that are not in alignment with the categories specified in the said circulars. Any such action will require approval of the trustee of the mutual fund and in case of a merger or change in any fundamental attribute, an exit option to will be required to be provided to the unitholders at the prevailing NAV without any exit load. Pursuant to observations issued by SEBI in this regard, mutual funds will have to carry out necessary changes within a period of three months.

In order to enhance the existing disclosure, the existing 'type of scheme' (presently mentioned below the scheme name in the offer documents/advertisements/marketing material/etc.) as per the current scheme documents and publicity material of mutual funds, are required to be replaced with the 'type of scheme' as indicated for each category of the scheme in the said circulars. For the purpose of alignment of the existing schemes in accordance with the said circulars, change in 'type of scheme' alone will not result a change in fundamental attribute of a scheme.

In order to ensure uniformity in respect of the investment universe for equity schemes, large cap, mid cap and small cap companies are defined in terms of their full market capitalization as follows: (a) large cap company means 1^{st} - 100^{th} company; (b) mid cap company means 101^{st} - 250^{th} company; and (c) small cap company means 251^{st} company onwards in terms of full market capitalization. In this regard, mutual funds will be required to adopt the list of stocks prepared by AMFI and in the event of any updation thereto, mutual funds will have to rebalance their portfolios as per the updated list, within a period of one month thereof.

SEBI Circular on review of additional expenses of up to 0.30% towards inflows from beyond top 15 cities

On February 2, 2018, SEBI issued a circular in relation to review of additional expenses of up to 0.30% towards inflows from beyond top 15 cities. The top 15 cities means top 15 cities based on AMFI data on 'AUM by Geography – Consolidated Data for Mutual Fund Industry' as at the end of the previous financial year.

In terms of para A(1) of SEBI circular CIR/IMD/DF/21/2012 dated September 13, 2012, additional TER can be charged up to 30 basis points on daily net assets of the scheme as per regulation 52 of SEBI Mutual Fund Regulations, if the new inflows from beyond top 15 cities are at least (a) 30% of gross new inflows in the scheme or (b) 15% of the average assets under management (year to date) of the scheme, whichever is higher. The additional TER for inflows from beyond top 15 cities was allowed with an objective to increase penetration of mutual funds in top 15 cities.

Since more than five years have elapsed and on review, SEBI has now decided that with effect from April 1, 2018, additional TER of upto 30 basis points would be allowed for inflows from beyond top 30 cities instead of beyond top 15 cities.

SEBI Circular on enhancing fund governance for mutual funds

On November 30, 2017, SEBI issued a circular in relation to enhancing fund governance for mutual funds, which was subsequently modified pursuant to a circular issued by SEBI on February 7, 2018. The said circulars prescribe the tenure of independent trustees of Mutual Funds ("independent trustees") and independent directors of AMCs ("independent directors") and appointment and tenure of auditors.

A. Tenure of independent trustees and independent directors

1. Regulation 16(5) and Regulation 21(1)(d) of SEBI Mutual Fund Regulations mandate appointment of independent trustees and independent directors, respectively. With respect to tenure of independent trustees and independent directors, it has been decided that:

i. An independent trustee and independent director shall hold office for a maximum of two terms with each term not exceeding a period of five consecutive years.

ii. No independent trustee or independent director shall hold office for more than two consecutive terms; however such individuals shall be eligible for re-appointment after a cooling-off period of three years. During the cooling-off period, such individuals should not be associated with the concerned mutual fund, AMC & its subsidiaries and / or sponsor of AMC in any manner whatsoever.

iii. Existing independent trustees and independent directors shall hold office for a maximum of ten years (including all preceding years for which such individual has held office). In this respect, the following may be noted:

a. Individuals who have held office for less than nine years (as on date of issuance of this circular) may continue for the residual period of service.

b. Individuals who have held office for nine years or more (as on date of issuance of this circular) may continue for a maximum of two years from the date of issuance of this circular.

c. Such individuals shall subsequently be eligible for re-appointment after a cooling-off period of three years, in terms of para A (1) (i) and para A (1) (ii) above.

B. Auditors of Mutual Funds

1. The auditor of a mutual fund, appointed in terms of Regulation 55 (1) of SEBI Mutual Fund Regulations shall be a firm, including a limited liability firm, constituted under the LLP Act, 2008.

2. Period of appointment:

With respect to appointment of auditors in terms of Regulation 55 (1) of SEBI Mutual Fund Regulations, it has been decided that:

i. No mutual fund shall appoint an auditor for more than two terms of maximum five consecutive years. Such auditor may be re-appointed after cooling off period of five years.

ii. Further, during the cooling-off period of five years, the incoming auditor may not include:

a. Any firm that has common partner(s) with the outgoing audit firm.

b. Any associate / affiliate firm(s) of the outgoing audit firm which is under the same network of audit firms wherein the term "same network" includes the firms operating or functioning, hitherto or in future, under the same brand name, trade name or common control.

iii. Existing auditors may be appointed for a maximum of 10 years (including all preceding years for which an auditor has been appointed in terms of Regulation 55 (1) of SEBI Mutual Fund Regulations). In this respect, the following may be noted:

a. Auditors who have conducted audit of the Mutual Fund for less than nine years (as on date of issuance of this circular) may continue for the residual period of service.

b. Auditors who have conducted audit of the Mutual Fund for nine years or more (as on date of issuance of this circular) may continue till the end of F.Y. 2018-19.

c. Such auditors shall subsequently be eligible for re-appointment after a cooling-off period of five years, in terms of Para B (2) (i) and Para B (2) (ii) above.

SEBI Circulars on TER for Mutual Funds and charging of additional expenses of up to 0.05% of daily net assets of the scheme

On February 2, 2018, SEBI issued a circular in relation to change and disclosures in relation to TER for Mutual Funds and charging of additional expenses of up to 0.20% of daily net assets of the scheme ("**Feb 2018 Circular**"), in terms of which, amongst other things, AMCs are required to prominently disclose the scheme wise and date-wise

TER of all schemes, on a daily basis under a separate head "Total Expense Ratio of Mutual Fund Schemes" on their website and on the website of AMFI in the format prescribed by SEBI.

AMCs shall be required to communicate any change in the base TER (*i.e.* TER excluding additional expenses) in comparison to previous base TER charged to any scheme/plan to investors of the scheme/plan through notice *via* email or SMS and also update the same on their website and on the website of AMFI at least three working days prior to effecting such change.

On June 5, 2018, consequent to the notification of the amendment to the SEBI Mutual Fund Regulations, which are effective from May 30, 2018, SEBI issued a circular amending certain provisions of the Feb 2018 Circular, pursuant to which, amongst other things, additional TER can be charged up to 5 basis points on daily net assets of the scheme pursuant to amendment to Regulation 52(6A)(c) of the SEBI Mutual Fund Regulations. In this respect, it is clarified that with respect to Mutual Fund schemes, including close ended schemes, wherein exit load is not levied/not applicable, the asset management companies shall not be eligible to charge the above mentioned additional expenses for such schemes.

SEBI Circular on performance disclosure post consolidation/merger of schemes

On March 15, 2017, SEBI issued a circular notifying certain guidelines with respect to transparency of performance related information in advertisements of Mutual Fund schemes, in order to promote effective and simple disclosures for scheme performances. On April 12, 2018, SEBI issued a circular, which came into effect from May 1, 2018, in relation to standardising the disclosure of performance post consolidation / merger of schemes, in terms of which performance disclosure post-merger of schemes is required to be given in the following manner:

i) When two schemes, for example, Scheme A (Transferor Scheme) & Scheme B (Transferee Scheme), having similar features, get merged and the merged scheme i.e., surviving scheme also has the same features, the weighted average performance of both the schemes needs to be disclosed.

ii) When Scheme A (Transferor Scheme) gets merged into Scheme B (Transferee Scheme) and the features of Scheme B are retained, the performance of the scheme whose features are retained needs to be disclosed.

iii) When Scheme A (Transferor Scheme) gets merged into Scheme B (Transferee Scheme) and the features of Scheme A (Transferor scheme) are retained, the performance of the scheme whose features are retained needs to be disclosed.

iv) When Scheme A (Transferor Scheme) gets merged with Scheme B (Transferee Scheme) and a new scheme, Scheme C emerges after such consolidation or merger of schemes, the past performance need not be provided.

Further, past performance of such scheme(s) whose features are not retained post-merger may also be made available on request with an adequate disclaimer.

SEBI Circular on "Go Green" initiative in Mutual Funds

In order to bring cost effectiveness in disclosing and providing information to unitholders and as a green initiative measure, SEBI vide its circular dated June 5, 2018, has implemented processes to reduce sending physical copies to unitholders directly in relation to, amongst other things, disclosure of NAVs, sale / repurchase prices, statement of scheme portfolio, that would be provided only on specific request received from a unitholder.

Miscellaneous

In addition to the above, an AMC, as an entity operating in the securities market in India, is required to comply with applicable securities laws in India, including, amongst others, Takeover Regulations, Insider Trading Regulations and PMLA. An AMC is also required to comply with the provisions of the Companies Act, FEMA, labour laws including Contract Labour (Regulation and Abolition) Act, 1970 and various state specific shops and establishment legislations, various tax related legislations and other applicable regulations, notifications, circulars and guidelines, and other applicable statutes and policies along with the rules formulated thereunder for its day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

History of our Company

Our Company was incorporated at Mumbai on December 10, 1999 as 'HDFC Asset Management Company Limited', a public limited company under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the RoC, and obtained its certificate for commencement of business on March 9, 2000 from the RoC.

Changes to the name of our Company:

The name of our Company has not undergone any change since its incorporation.

Changes to the address of the Registered Office of our Company

Change in Address		Date of change	Reason
At incorporation: Ramon House, 3rd Floor, 169, Backbay Reclamation, H.T. Parekh Marg, Churchgate, Mumbai 400 020	To: HUL House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020	October 7, 2013	Administrative convenience
From: HUL House, 2nd Floor, H.T. Parekh Marg, 165-166 Backbay Reclamation, Churchgate, Mumbai 400 020	To: HDFC House, 2nd Floor, H.T. Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020	June 18, 2015	Change in the name of the building

Major events and milestones

The table sets forth some of the major events in the history of our Company:

Period	Particulars
December 1999	Our Company was incorporated
July, 2000	Our Company received SEBI's approval to manage HDFC Mutual Fund Schemes
September 2000	Our Company reached an AUM of ₹6.5 billion
August 2001	Standard Life Investments became our Company's shareholder
September 2002	Our Company's AUM crossed ₹100 billion
June 2003	Our Company acquired Zurich Asset Management Company Limited ("**ZAMC**"), having an AUM of ₹34 billion, pursuant to which our Company achieved a combined AUM of ₹118 billion
January 2009	Our Company's AUM crossed ₹500 billion
October 2009	Our Company's AUM crossed ₹1 trillion
March 2011	HDFC Mutual Fund becomes #1 for Equity QAAUM*
March 2011	HDFC Debt Fund for Cancer Cure, our first CSR oriented fund launched in India
September 2011	HDFC Mutual Fund becomes #1 for total QAAUM*
March 2014	HDFC Debt Fund for Cancer Cure 2014, our second CSR oriented fund launched in India
June 2014	Our Company acquired Morgan Stanley Mutual Fund schemes, having an AUM of ₹19 billion

Period	Particulars
September 2014	Our Company's AUM crossed ₹1.5 trillion
March 2016	HDFC Mutual Fund becomes #2 for total QAAUM*
May 2016	Our Company's AUM crossed ₹2 trillion
April 2017	HDFC Charity Fund for Cancer Cure, our third CSR oriented fund launched in India
April 2017	Our Company's Equity AUM crossed ₹1 trillion
December 2017	Our Company's AUM crossed ₹3 trillion

*As per the CRISIL Report

Certifications, awards and accreditations

Calendar year	Accreditation
2012	HDFC Mutual Fund won the Morningstar India Fund Awards 2012 in the "Best Fund House – Equity" category and the "Best Fund House – Multi Asset" category
	HDFC Balanced Fund - Growth won the Lipper Fund Awards 2012 in the "Mixed Asset INR Balanced – 5 Years" category
	HDFC Children's Gift Fund-Investment Plan won the Lipper Fund Awards 2012 in the "Mixed Asset INR Balanced – 3 Years" category
	HDFC Prudence Fund - Growth won the Lipper Fund Awards 2012 in the "Mixed Asset INR Aggressive – 3 Years" category
2013	HDFC Balanced Fund - Growth won the Thomson Reuters Lipper Fund Awards 2013 in the "Mixed Asset INR Aggressive – Best Fund over 10 Years" category
	HDFC Balanced Fund won the Morningstar India Fund Awards 2013 in the "Best Moderate Allocation Fund" category
	HDFC Prudence Fund - Growth won the Lipper Fund Awards 2013 in the "Mixed Asset INR Aggressive – 10 Years" category
	HDFC Mutual Fund won the Morningstar India Fund Awards 2013 in the "Best Fund House – Equity" category and the "Best Fund House – Multi Asset" category
2014	HDFC Balanced Fund won the Morningstar India Fund Awards 2014 in the "Best Moderate Allocation Fund" category
	HDFC Floating Rate Income Fund - Long Term Plan won the Morningstar India Fund Awards 2014 in the "Best Ultrashort Bond Fund" category
	HDFC Multiple Yield Fund – Plan 2005 won the Morningstar India Fund Awards 2014 in the "Best Conservative Allocation Fund" category
	Mr. Prashant Jain, Chief Investment Officer, HDFC MF, won the Business Standard Annual Awards 2014 in the "Business Standard Equity Fund Manager of the Year" category
2015	Our Managing Director, Mr. Milind Barve, wins the Maxell Award for Excellence in Business Leadership in the Maxell Maharashtra Corporate Excellence Awards
	HDFC Floating Rate Income Fund - Long Term Plan won the Morningstar India Fund Awards 2015 in the "Best Ultrashort Bond Fund" category
	HDFC Multiple Yield Fund – Plan 2005 won the Morningstar India Fund Awards 2015 in the "Best Conservative Allocation Fund" category
	Mr. Chirag Setalvad was ranked #1 of the 10 Best Fund Managers 2015 – ET Wealth & Morningstar ranking
2016	Our Senior Fund Manager, Equity, Mr. Chirag Setalvad was ranked #7 of the 10 Best Fund Managers 2016 – ET Wealth & Morningstar ranking
	Our Senior Fund Manager, Fixed Income, Mr. Anil Bamboli won the Business Standard Mutual Fund Manager of the Year 2016 Award in the "Best Debt Fund Manager" categories
	Mr. Prashant Jain, Chief Investment Officer, HDFC MF, was ranked #9 in the Outlook Business India's Best Fund Managers 2016 Award
2017	HDFC Balanced Fund - Growth won the 2017 Thomson Reuters Lipper Fund Award in the Mixed Asset INR Balanced - "3, 5 & 10 Years" categories
	Our Company won the Outlook Money Awards 2017 in the "Equity Fund House" category
	Mr. Chirag Setalvad won the Outlook Money September 2017 Award and was ranked #4 of the 10 Best Fund Managers 2017 – ET Wealth & Morningstar ranking
2018	HDFC Small Cap Fund advertisement won a Gold award in the "Banking and Finance" category at Magzimise Awards

Calendar year	Accreditation
	HDFC Prudence Fund - Growth won the Thomson Reuters Lipper Fund Award 2018 in the "Mixed Asset INR Aggressive – Best Fund over 10 Years" category
	HDFC Balanced Fund - Growth won the Thomson Reuters Lipper Fund Award 2018 in the "Mixed Asset INR Balanced – Best Fund over 10 Years" category
	HDFC Balanced Fund - Growth won the Thomson Reuters Lipper Fund Award 2018 in the "Mixed Asset INR Balanced – Best Fund over 5 Years" category
	HDFC Mid – Cap Opportunities Fund - Growth won the Thomson Reuters Lipper Fund Award 2018 in the "Equity India – Best Fund over 10 Years" category
	HDFC Short Term Opportunities Fund won the Morningstar India Fund Awards 2018 in the "Short-Term Bond Fund" category

Main objects

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

1. *To carry on the business of acting as Manager, advisers, administrators, attorneys, agents, consultants, representatives or nominees of or for any mutual funds, unit trusts, venture capital funds, investment trust or any other portfolio of securities, properties or assets of any kind, including any pension, provident fund or superannuation fund set up, formed or established in India or in any other country by the Company or by any other person, or by government, state, local authority, association, institute (whether incorporated or not) or any other agency or organisation.*

2. *To carry on the business of providing financial services, advise and facilities of every description, including (but without limiting the generality of the foregoing words) all those capable of being provided by investment and fund managers and advisors, promoters and managers of mutual funds, unit trust, venture capital funds and other investment media, issue houses and financiers.*

3. *To carry on the business of preparing, undertaking, executing, administering mutual fund schemes, unit trust schemes or venture capital schemes by issuing units or participations therein to investors and redeem, cancel or revoke such units or participations or trusts and distribute the proceeds thereof amongst investors, beneficiaries, pensioners or other persons entitled to the same, and whether in money or specie.*

4. *To carry on the business of providing portfolio management services, management and advisory services to off shore funds, pension funds, provident funds, venture capital funds, management of insurance funds, financial consultancy and exchange of research on commercial basis, if any, of such activities are not in conflict with the activities of the mutual fund.*

The main objects and objects incidental and ancillary to the attainment of the main objects, as contained in the Memorandum of Association, enable our Company to carry on our existing business.

Changes to our Memorandum of Association

Our Memorandum of Association has been amended pursuant to the change in the authorised share capital of our Company. For details of this change, please see "*Capital Structure - Details of changes to our Company's authorized share capital since incorporation*" on page 79 of this Prospectus. In addition to the aforesaid change, the following change has been made to our Memorandum of Association since incorporation:

Date of Shareholders' Resolution	Particulars
July 11, 2000	Amendment to the object clause by inserting a new clause 4 after existing clause 3 of clause III (A) (Main Objects) of the Memorandum of Association. 1. *"To carry on the business of providing portfolio management services, management and advisory services to off shore funds, pension funds, provident funds, venture capital funds,*

Date of Shareholders' Resolution	Particulars
	management of insurance funds, financial consultancy and exchange of research on commercial basis, if any, of such activities are not in conflict with the activities of the mutual fund."

Except for the aforesaid amendments to the Memorandum of Association, there have been no changes to our Memorandum of Association, since incorporation.

Corporate Profile of our Company

For details of our Company's business, services, products, technology, marketing, the description of its activities, growth, with country-wise analysis, standing with reference to the prominent competitors, major customers and suppliers and geographical segment, please see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 173 and 333 of this Prospectus.

For details on managerial competence, please see "*Our Management*" on page 219 of this Prospectus.

Our Shareholders

As on the date of this Prospectus, our Company had 89 Shareholders. For further details regarding our Shareholders, please see "*Capital Structure*" on page 79 of this Prospectus.

Details regarding material agreements, acquisition of business/undertakings, mergers, amalgamation and revaluation of assets

Acquisition of business / undertakings

1. Zurich Insurance Company ("**ZIC**"), the Sponsor of Zurich India Mutual Fund, following a review of its overall strategy, had decided to divest its asset management business in India, which was operated through ZAMC. In 2003, our Company entered into an agreement with ZIC dated March 16, 2013 to acquire ZAMC through the acquisition of its holding company Zurich Finance (Mauritius) Limited, subject to necessary regulatory approvals.

On obtaining the requisite regulatory approvals, the following schemes of Zurich India Mutual Fund migrated to HDFC Mutual Fund on June 19, 2003, in accordance with the deed of variation dated June 19, 2003, executed between our Company, our Sponsors, our Trustee, ZIC, Zurich Trustee Company (India) Private Limited and ZAMC. These schemes were renamed as follows:

Former Name	New Name
Zurich India Equity Fund	HDFC Equity Fund
Zurich India Prudence Fund	HDFC Prudence Fund
Zurich India Capital Builder Fund	HDFC Capital Builder Fund
Zurich India TaxSaver Fund	HDFC Tax Saver
Zurich India Top 200 Fund	HDFC Top 200 Fund
Zurich India High Interest Fund	HDFC High Interest Fund
Zurich India Liquidity Fund	HDFC Cash Management Fund
Zurich India Sovereign Gilt Fund	HDFC Sovereign Gilt Fund*

**HDFC Sovereign Gilt Fund had been wound up in March 2006*

2. In 2014, Our Company and HDFC Trustee Company Limited ("**HDFC Trustee**"), the AMC and trustee company of HDFC Mutual Fund, respectively, entered into an agreement dated December 23, 2013 with Morgan Stanley Investment Management Private Limited ("**MS AMC**") and the Board of Trustees of Morgan Stanley Mutual Fund (the "**MS Trustees**"), the asset management company and trustees of Morgan Stanley Mutual Fund ("**MSMF**"), pursuant to which the schemes of MSMF **("MSMF Schemes")** were transferred to, and formed part of HDFC Mutual Fund, HDFC Trustee took over the trusteeship of the MSMF Schemes from

the MS Trustees and HDFC AMC took over the rights to manage the MSMF Schemes from MS AMC and became the investment manager of the MSMF Schemes with effect from June 27, 2014.

The details of these MSMF Schemes and the changes made to them are briefly summarised herein below:

Current Name and Type of Scheme / Transferor Scheme	Type of Change	New Name and Type of Scheme / Transferee Scheme
Morgan Stanley Growth Fund *(Open Ended Equity Fund)*	Change in name and fundamental attributes	HDFC Large Cap Fund *(Open-ended equity scheme)*
Morgan Stanley A.C.E Fund *(Open Ended Across Capitalizations Equity Fund)*	Change in name and fundamental attributes	HDFC Small and Midcap Fund *(Open-ended equity scheme)*
Morgan Stanley Gilt Fund *(Open Ended Gilt Fund)*	Change in name and fundamental attributes	HDFC Inflation Indexed Bond Fund* *(Open-ended income scheme)*
Morgan Stanley Liquid Fund *(Open Ended Liquid Fund)*	Merger	HDFC Liquid Fund *(Open-ended liquid income scheme)*
Morgan Stanley Ultra Short Term Bond Fund *(Open Ended Debt Fund)*	Merger	HDFC Cash Management Fund – Treasury Advantage Plan *(Open-ended income scheme)*
Morgan Stanley Active Bond Fund *(Open Ended Debt Fund)*	Merger	HDFC High Interest Fund - Dynamic Plan *(Open-ended income scheme)*
Morgan Stanley Short Term Bond Fund *(Open Ended Debt Fund)*	Merger	HDFC Short Term Plan** *(Open-ended income scheme)*
Morgan Stanley Multi Asset Fund (Plan A and Plan B) *(Open Ended Debt Fund)*	Change in name and fundamental attributes	HDFC Dynamic PE Ratio Fund of Funds*** *(Open-ended fund of funds scheme)*

** HDFC Inflation Indexed Bond Fund was wound up in December 2015.*
*** HDFC Short Term Plan underwent a change in fundamental attributes*
**** As part of the change in fundamental attributes of Morgan Stanley Multi Asset Fund (Plan A and Plan B), Plan A was renamed as HDFC Dynamic PE Ratio Fund of Funds and Plan B was merged into it*

Scheme of arrangement between HDFC AMC Services Company Private Limited, HDFC AMC Mauritius Limited and our Company

By way of an order dated March 4, 2004, the High Court of Bombay sanctioned a scheme of arrangement under Sections 391-394 of the Companies Act, 1956, read with Sections 78 and 100 of the Companies Act, 1956 for the amalgamation of the erstwhile subsidiaries of our Company, HDFC AMC Services Company Private Limited and HDFC AMC Mauritius Limited (collectively, "**Transferor Companies**") with our Company ("**Scheme**").

Pursuant to the Scheme, the undertakings of the Transferor Companies, including all assets, debts, liabilities, duties, outstandings and receivables, were transferred to, and vested in, our Company on a going concern basis, with effect from the appointed date, *i.e.* June 19, 2003. The Scheme also effected the application and reduction of the share premium account of our Company by ₹825.76 million.

A certified copy of the said order of the High Court of Bombay was filed with the RoC, making the Scheme operative with effect from June 19, 2003.

Material agreements

1. Shareholders' agreement entered into between HDFC and Standard Life Investments

A shareholders' agreement dated June 10, 2003, subsequently amended pursuant to a letter dated October 8, 2007 ("**Shareholders' Agreement**" or "**SHA**"), was entered into between HDFC and Standard Life Investments to set out the terms and conditions of their relationship as shareholders of our Company and certain matters connected therewith. The key provisions of the SHA are summarised below:

(a) *Board of directors:* HDFC can nominate up to three directors and Standard Life Investments can nominate up to two directors on the Board of our Company. The Independent Directors will be appointed in accordance with the provisions of applicable law. Further, as long as HDFC is the single largest shareholder of our Company, the Chairman of our Company shall be nominated by HDFC.

(b) *Transfer of shares*: Prior to a transfer or agreement to transfer Equity Shares held by HDFC or Standard Life Investments to any third party or parties, the party proposing to transfer such Equity Shares must deliver a notice in writing to the other party stating the number of Equity Shares proposed to be transferred at a price, as determined in accordance with an agreed pricing formula as per the SHA and the other party shall have twenty-one days to exercise the right of first refusal.

(c) *Conducting business:* As per the SHA, the business plan shall be amended on an annual basis, or as may be necessary, by the functional heads of the Company under the supervision and control of the Managing Director in consultation with the Nominee Directors of HDFC and Standard Life Investments, and shall be in accordance with the broad strategies and overall policies of the business established by the Board of our Company.

(d) *Distribution Network*: In terms of the SHA, HDFC shall provide distribution/client services through its offices, for the products offered by the Company.

(e) Our Company may, by itself or by setting up its own 100% subsidiary, anywhere in any jurisdiction within or outside India, carry out the business of raising funds and managing the same for investments in India. However, if, at any time, our Company or any of its subsidiaries plans to raise funds in a jurisdiction outside India for investment, it shall keep Standard Life Investments informed about the same in advance and shall consult and discuss the possibility of a coordinated approach / effort for such fund raising with Standard Life Investments.

    Further, any funds raised by our Company (or any subsidiary of the Company) for investments outside India shall be managed by Standard Life Investments unless (i) the Board of the Company or its subsidiary (after consulting a Nominee Director of Standard Life Investments) is of the view that Standard Life Investments does not have suitable products and the required expertise for the purpose for which such funds have been raised; and (ii) the terms offered by Standard Life Investments are less favourable to our Company (or its subsidiary) than those offered by any third party with similar products and expertise. If the Board (after consulting a Nominee Director of Standard Life Investments) is not satisfied that the funds should be managed by Standard Life Investments, because it does not have a suitable product, it shall have the right to appoint any manager other than Standard Life Investments to manage such funds, provided that Standard Life Investments has been provided a period of 30 days to offer an acceptable suitable product.

2. *Termination agreement entered into between HDFC and Standard Life Investments*

On March 13, 2018, a termination agreement was entered into between HDFC and Standard Life Investments, pursuant to which (i) HDFC and Standard Life Investments have consented to such actions as may be taken by the Board and Shareholders in relation to initiation or consummation of the Offer as required under the SHA; and (ii) the SHA shall stand terminated with effect from the date on which the final listing and trading approval would be received by the Company in respect of its Equity Shares from BSE and NSE. In the event the listing of the Equity Shares of our Company does not occur by March 31, 2019, or such other date as may be extended in writing by mutual agreement amongst HDFC and Standard Life Investments, this termination agreement shall stand terminated, pursuant to which the SHA shall be deemed to have been reinstated in its entirety as on the execution date of this termination agreement.

3. *Inter-se agreement entered into between HDFC and Standard Life Investments dated March 13, 2018*

On March 13, 2018, HDFC and Standard Life Investments have entered into an inter-se agreement setting out certain arrangements amongst themselves in relation to the Offer and post-Offer ("**Inter-se Agreement**"). However, in the event the listing of the Equity Shares of our Company does not occur by March 31, 2019, or such other date as may be extended in writing by mutual agreement amongst HDFC and Standard Life Investments, the Inter-se Agreement shall stand terminated.

With respect to the Offer, the Inter-se Agreement provides for, amongst other things, the sharing of expenses in relation to the Offer amongst HDFC and Standard Life Investments, and the lock-in of Equity Shares of HDFC and

Standard Life Investments aggregating to 20% of the post-Offer paid-up Equity Share capital of our Company, for a period of three years from the date of the Allotment. The Equity Shares that will be subjected to such lock-in shall be calculated on a pro-rata basis, based on their respective shareholding post completion of the Offer.

Additionally, the Inter-se Agreement provides for the following arrangements between HDFC and Standard Life Investments:

a. From the date of listing and commencement of trading of the Equity Shares of our Company on a recognised stock exchange in India pursuant to the Offer and subject to applicable law, HDFC will have the right to nominate (i) up to one Director if its shareholding in our Company is lower than 20%, but not lower than 10%; (ii) up to two Directors if its shareholding in our Company is lower than 30%, but not lower than 20%; (iii) up to three Directors if its shareholding in our Company is lower than 40%, but not lower than 30%; and (iv) up to four Directors if its shareholding in our Company is at least 40%. Similarly, SLI will have the right to nominate (i) up to one Director if its shareholding in our Company is lower than 20%, but not lower than 10%; and (ii) up to two Directors if its shareholding in our Company is at least 20%, of the paid up Equity Share Capital.

In terms of our Articles of Association, post listing of Equity Shares of our Company, these nomination rights shall be exercisable by HDFC and SLI only in the event that these rights are approved by way of a special resolution at a general meeting of the shareholders of the Company.

Further, HDFC will have the right to nominate its nominee directors as members of committees of the Board, as may be constituted from time to time, and SLI will have the right to nominate its nominee directors as members of i) the Audit Committee, (ii) the Risk Committee and (iii) the Customer Services Committee, formed by the Board from time to time.

For further details, please see "*Main Provisions of our Articles of Association – Part B – Articles 127 and 156*" on pages 513 and 517, respectively of this Prospectus and "*Undertakings by our Company, HDFC and SLI*" on page 216 of this Prospectus.

Further, upon our Company achieving the minimum public shareholding threshold prescribed under the SCRR, these provisions relating to nomination shall fall away from the Inter-se Agreement. The fall away of these provisions shall not impact any other rights or obligations of either HDFC or SLI under the Inter-se Agreement, or any right set out in any other document.

b. In the event of either HDFC or SLI intending to sell any of their respective shareholding in our Company, which would result in the cumulative shareholding of both HDFC and SLI decreasing below 75% of the equity share capital of our Company, the selling entity shall, prior to selling or alienating all or part of its Equity Shares to a third party, allow the other party to make an offer to purchase such Equity Shares at the price specified by the interested third party. This provision shall not be applicable in case of any internal restructuring or reorganisation.

If SLI is the intending seller, SLI shall not assign any of the contractual rights available to it under the Inter-se Agreement to the proposed transferee simultaneous with the sale of all or any part of its shareholding to any person, and such rights shall, subject to the terms of the Inter-se Agreement, fall away upon SLI ceasing to be a shareholder in the Company. However, where HDFC is the intending seller, it shall, at its sole discretion, be entitled to assign some or all of the contractual rights available to it under the Inter-se Agreement to the proposed transferee of its Equity Shares, simultaneously with the transfer of some or all of its Equity Shares. Any such proposed transferee of the contractual rights available to HDFC under the Inter-se Agreement shall enter into an appropriate agreement recording such transfer / assignment of rights at the relevant time.

Undertakings by our Company, HDFC and SLI:

Our Company has, by way of an undertaking dated June 14, 2018, undertaken to SEBI that, post listing of the Equity Shares of the Company, Article 149 of our Articles of Association, insofar as it relates to the Chairman of the

Company being Deepak Parekh, shall be effective only in the event that it is approved by way of a special resolution at a general meeting of the shareholders of the Company.

HDFC has, by way of an undertaking dated June 14, 2018, undertaken to the Company that post listing of the Equity Shares of the Company, (i) Article 149 of our Articles of Association, insofar as it relates to HDFC's right to nominate the candidate(s) for the position of Chairman while HDFC is the single largest shareholder in the Company, in the event that Deepak Parekh ceases to be the Chairman of the Company, shall be exercisable only in the event that it is approved by way of a special resolution at a general meeting of the shareholders of the Company; and (ii) HDFC's right to nominate its nominee Directors as members of various committees of the Board, as provided under Article 156(3) of the AoA, shall be exercisable only in the event that it is approved by way of a special resolution at a general meeting of the shareholders of our Company.

SLI has, by way of an undertaking dated June 14, 2018, undertaken to the Company that post listing of the Equity Shares of the Company, SLI's right to nominate its nominee Directors as members of the Audit Committee, the Risk Committee and the Customer Services Committee, as provided under Article 156(3) of our Articles of Association, shall be exercisable only in the event that it is approved by way of a special resolution at a general meeting of the shareholders of our Company.

Strikes and lock-outs

Our Company has not experienced any strikes, lock-outs or instances of labour unrest in the past.

Time and cost overrun in setting up projects by our Company

Our Company has not implemented any projects and has, therefore, not experienced any time or cost overruns in relation thereto.

Changes in the activities of our Company

There have been no changes in the activities of our Company during the last five years preceding the date of the Draft Red Herring Prospectus and until the date of this Prospectus which has had a material effect on our profit or loss, including discontinuance of our lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings from financial institutions/banks, conversion of loans into equity by our Company

Our Company has not availed of any term loans and/ or other credit facilities and, therefore, there have not been any defaults or rescheduling of borrowings from financial institutions/banks or conversion of loans into equity by our Company.

Capital raising (debt / equity)

Our Company has not availed of any term loans and/ or other credit facilities and therefore no capital has been raised through debt. For details regarding capital raised through equity, please see "*Capital Structure*" on page 79 of this Prospectus.

Injunctions or restraining orders against our Company

As on the date of this Prospectus, apart from the disclosures in "*Outstanding Litigation and Material Developments*" beginning on page 355 of this Prospectus, there are no injunctions / restraining orders that have been passed against the Company.

Holding company

Our Company is a subsidiary of one of our Promoters, HDFC. For details regarding HDFC, please see "*Our Promoters, Promoter Group and Group Companies – Our Promoters*" on page 238 of this Prospectus.

Subsidiaries

As of the date of this Prospectus, our Company does not have any subsidiary.

Strategic and financial partners

As of the date of this Prospectus, our Company does not have any strategic or financial partner.

Guarantees provided by the Promoter Selling Shareholders

As of July 27, 2018, HDFC has provided 12 guarantees, which are currently outstanding, to various third parties in the ordinary course of its business. These guarantees are for, amongst other things, enabling the issuance of counter guarantees and back-to-back guarantees, securing against claims or demands, securing against violation of lease agreements, covering of construction defects, etc. The outstanding liability of HDFC in relation to these guarantees aggregates to ₹ 5,118.80 million as of July 27, 2018.

These guarantees are secured by way of mortgages on the relevant properties, personal and / or corporate guarantees, and a majority of these guarantees expire over the course of the next three Fiscal Years. In the event of a default by HDFC in satisfying its obligations under such guarantee the maximum liability of HDFC shall be in accordance with the terms & conditions of the respective guarantees.

Our Company does not have any obligations in relation to any of the above guarantees provided by HDFC.

Other material agreements

Except as disclosed above, our Company has not entered into any material agreements in the last two years, preceding the date of this Prospectus, which are not in the ordinary course of its business.

Revaluation of assets

Our Company has not revalued its assets since its incorporation.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, our Company is required to have at least three and not more than 15 Directors. Our Company currently has 12 Directors, comprising six Independent Directors, one Managing Director and five Non-Executive Directors, which includes one woman Director.

In terms of SEBI's circulars dated November 30, 2017 and February 7, 2018, our existing Independent Directors can hold office for a maximum of 10 years, however, those Independent Directors who have held office for nine years or more, as on November 30, 2017, may continue to hold office for an additional period, not exceeding two years from November 30, 2017. Further, no independent director can hold office for more than two consecutive terms, however, such an independent director shall be eligible for re-appointment after a cooling-off period of three years.

The following table sets forth details regarding the Board as on the date of this Prospectus

Name, designation, address, occupation, nationality, tenure and DIN	Age	Other directorships
Deepak Parekh *Designation*: Non – Executive Director and Chairman (Nominee of HDFC) *Address*: 4607, The Imperial Tower, North, B B Nakashe Marg, Tardeo, Mumbai - 400 034, Maharashtra, India. *Occupation*: Professional *Nationality*: Indian *Term*: Liable to retire by rotation *DIN*: 00009078	73	*Indian companies* 1. BAE Systems India (Services) Private Limited 2. Bangalore International Airport Limited 3. Breach Candy Hospital Trust 4. GlaxoSmithKline Pharmaceuticals Limited 5. HDFC ERGO General Insurance Company Limited 6. HDFC Standard Life Insurance Company Limited 7. Housing Development Finance Corporation Limited 8. H T Parekh Foundation 9. Indian Institute for Human Settlements 10. Network18 Media & Investments Limited 11. Siemens Limited 12. The Indian Hotels Company Limited *Foreign companies* 1. DP World Limited, Dubai 2. Economic Zones World FZE 3. Fairfax India Holdings Corporation, Canada 4. Vedanta Resources PLC, London
Keki Mistry *Designation*: Non-Executive Director (Nominee of HDFC) *Address*: Flat No. 2603, B Wing, 26^{th}	63	*Indian companies* 1. Greatship (India) Limited 2. GRUH Finance Limited 3. HDFC Bank Limited 4. HDFC ERGO General Insurance

Name, designation, address, occupation, nationality, tenure and DIN	Age	Other directorships
Floor, Vivarea, Sane Guruji Marg, Jacob Circle, Mahalaxmi East, Mumbai - 400 011, Maharashtra, India *Occupation:* Service *Nationality:* Indian *Term:* Liable to retire by rotation *DIN*: 00008886		Company Limited 5. HDFC Standard Life Insurance Company Limited 6. Housing Development Finance Corporation Limited 7. H T Parekh Foundation 8. Torrent Power Limited 9. Sun Pharmaceutical Industries Limited *Foreign companies* 1. CDC Group, London 2. Griha Investments, Mauritius *3.* Griha Pte Ltd., Singapore
Renu Karnad *Designation*: Non-Executive Director (Nominee of HDFC) *Address*: BB – 14, Greater Kailash Enclave Part II, New Delhi - 110 048, Delhi, India *Occupation*: Service *Nationality*: Indian *Term*: Liable to retire by rotation *DIN*: 00008064	65	*Indian companies* 1. ABB India Limited 2. Bangalore International Airport Limited 3. Bosch Limited 4. Feedback Infra Private Limited 5. GRUH Finance Limited 6. HDFC ERGO General Insurance Company Limited 7. HDFC Standard Life Insurance Company Limited 8. Housing Development Finance Corporation Limited 9. H T Parekh Foundation 10. Indraprastha Medical Corporation Limited 11. Maruti Suzuki India Limited *Foreign companies* 1. First Housing Finance (T) Limited 2. HDFC PLC, Maldives 3. HIF International Fund Pte Limited 4. HIREF International Fund II Pte Limited 5. HIREF International LLC *6.* Quikr Mauritius Holding Private Limited *7.* WNS (Holdings) Limited
Norman Keith Skeoch *Designation*: Non-Executive Director (Nominee of Standard Life Investments) *Address*: 19 Lennox Street, Edinburgh, Scotland, EH4 1PY, United Kingdom *Occupation*: Professional	61	*Indian companies* 1. HDFC Standard Life Insurance Company Limited. *Foreign companies* 1. Aberdeen Asset Management PLC 2. Standard Life Aberdeen plc

Name, designation, address, occupation, nationality, tenure and DIN	Age	Other directorships
Nationality: British *Term*: Liable to retire by rotation *DIN*: 00165850		3. Standard Life Employee Services Limited 4. Standard Life Foundation 5. Standard Life Investments (Holdings) Limited 6. Standard Life Investments Limited 7. Standard Life Portfolio Investments Limited 8. The Financial Reporting Council Limited
James Baird Aird *Designation*: Non-Executive Director (Nominee of Standard Life Investments) *Address*: 2 Fairholm Mews, Edinburgh, EH10 4FE, United Kingdom *Occupation*: Professional *Nationality*: British *Term*: Liable to retire by rotation *DIN*: 01057384	57	*Indian companies* 1. HDFC Standard Life Insurance Company Limited *Foreign companies* 1. Standard Life Investments - India Advantage Fund 2. Standard Life (Mauritius Holdings) 2006 Limited 3. Ignis Asset Management Limited 4. Ignis Fund Managers Limited 5. Ignis Investment Services Limited
Hoshang Billimoria *Designation*: Independent Director *Address*: B-221 Grand Paradi, 572 Dadyseth Hill, August Kranti Marg, Mumbai – 400036, Maharshtra, India *Occupation*: Service *Nationality*: Indian *Term*: Five years commencing from July 21, 2014 to July 20, 2019 *DIN*: 00005003	67	*Indian companies* 1. Council for Fair Business Practices 2. Fenner Conveyor Belting Private Limited *Foreign companies* Nil
Humayun Dhanrajgir *Designation*: Independent Director *Address*: F-37/38, Dhanraj Mahal, CSM Road, Apollo Bunder, Mumbai, 400001, Maharashtra, India *Occupation*: Professional	81	*Indian companies* 1. Breach Candy Hospital Trust 2. Cadila Healthcare Limited 3. Emcure Pharmaceuticals Limited 4. H Dhanrajgir Estates Private Limited 5. Neuland Laboratories Limited 6. Next Gen Publishing Private Limited 7. Sami Labs Limited

Name, designation, address, occupation, nationality, tenure and DIN	Age	Other directorships
Nationality: Indian *Term*: Five years commencing from July 21, 2014 to July 20, 2019 *DIN*: 00004006		8. Themis Medicare Limited 9. Zydus Wellness Limited *Foreign companies* Nil
P. M. Thampi *Designation*: Independent Director *Address*: 2B, Martha's Place, 58, 5th Cross, Lavelle Road, Bangalore, 560001, Karnataka, India *Occupation*: Professional *Nationality*: Indian *Term*: Five years commencing from July 21, 2014 to July 20, 2019 *DIN*: 00114522	83	*Indian companies* 1. Pioneer Balloon India Private Limited *2.* Stelis Biopharma Private Limited *Foreign companies* Nil
Deepak Phatak* *Designation*: Independent Director *Address*: Building B24, Flat No. 274, 15th Floor, Central Area, Near Hostel 10, Powai, Mumbai – 400076 *Occupation*: Service *Nationality*: Indian *Term*: Five years commencing from July 21, 2014 to July 20, 2019 *DIN*: 00046205	70	*Indian companies* 1. Maharashtra Knowledge Corporation Limited 2. Persistent Systems Limited 3. Reserve Bank Information Technology Private Limited 4. Skoch Development Foundation 5. Treelabs Foundation *Foreign companies* Nil
Rajeshwar Bajaaj *Designation*: Independent Director *Address*: Ajanta Apartment, 11th Floor, Flat No. 2, 75, Colaba Road, Colaba, Mumbai – 400005 *Occupation*: Service	75	*Indian companies* 1. Bharat Bijlee Limited 2. GlaxoSmithkline Pharmaceuticals Limited 3. Lerch Bates Private Limited *Foreign companies* Nil

Name, designation, address, occupation, nationality, tenure and DIN	Age	Other directorships
Nationality: Indian *Term*: Five years commencing from July 21, 2014 to July 20, 2019 *DIN*: 00419623		
Vijay Merchant *Designation*: Independent Director *Address*: 1-A, Rockside, 112 Walkeshwar Road, Mumbai - 400006 *Occupation*: Business *Nationality*: Indian *Term*: Five years commencing from July 21, 2014 to July 20, 2019 *DIN*: 01773227	73	*Indian companies* 1. Suraiya Brothers Private Limited 2. Virat Industries Limited *Foreign companies* Nil
Milind Barve *Designation*: Managing Director *Address*: 3303, The Imperial Tower, B B Nakashe Marg, Next to Tardeo A.C. Market, Mumbai - 400 034, Maharashtra, India. *Occupation*: Service *Nationality*: Indian *Term*: Three years commencing from November 1, 2017 to October 30, 2020 *DIN*: 00087839	60	*Indian companies* 1. Association of Mutual Funds in India *Foreign companies* Nil

*In September 2017, the Ministry of Corporate Affairs disqualified several directors associated with companies (including Deepak Phatak who is associated with Treelabs Foundation) that had failed to file financial statements or annual returns in the MCA21 online registry for a continuous period of three Fiscals, *i.e.* from Fiscal 2013-14 to Fiscal 2015-16, and they were barred from accessing the online registry.

On December 29, 2017, the Central Government introduced the Condonation of Delay Scheme 2018 ("**CODS 2018**") to give an opportunity for non-compliant and defaulting companies to rectify their respective defaults. Pursuant to the CODS 2018, all the requisite filings in relation to Treelabs Foundation have been completed and the e-form CODS 2018 has been filed.

None of our Directors are related to each other.

Brief profiles of our Directors

Deepak Parekh is a Non-Executive Director and Chairman on our Board. He has been on our Board since July 4, 2000. He is also the non-executive director and chairman of one of our Promoters, HDFC. He is an associate of the Institute of Chartered Accountants (England and Wales). He is on the board of several leading companies across diverse sectors. He has won several awards, which includes Padma Bhushan conferred by Government of India in 2006, 'Bundesverdienstkreuz', which is Germany's Cross of the Order of Merit, being one of the highest distinction by the Federal Republic of Germany, in 2014, "Knight in the Order of the Legion of Honour", one of the highest distinction by the French Republic, in 2009 and he was also the first international recipient of the Outstanding Achievement Award by Institute of Chartered Accountants in England and Wales, in 2010.

Keki Mistry is a Non-Executive Director on our Board. He has been a Director on our Board since December 24 2007. He is also the vice chairman and chief executive officer of one of our Promoters, HDFC. He is a fellow of the Institute of Chartered Accountants of India. He joined HDFC in 1981. He was appointed as an executive whole-time director of HDFC in 1993, as the deputy managing director in 1999 and as the managing director with effect from 2000. He was re-designated as the vice-chairman and managing director of HDFC in October 2007 and as the vice chairman and chief executive officer, with effect from January 1, 2010. Some of his recent recognitions include, being awarded "Best Independent Director Award 2014" by Asian Centre for Corporate Governance & Sustainability, the Best CEO Financial Services (Large Companies) 2014 by Business Today magazine, honoured with the 'CA Business Achiever of the year' award in the Financial Sector by the Institute of Chartered Accountants of India in 2011 and CNBC TV18's - CFO of the Year for 2008. He is the chairman of the CII National Council on Corporate Governance and a member of the Committee on Corporate Governance set up by SEBI.

Renu Karnad is a Non-Executive Director on our Board. She has been on the board of our Company since July 4, 2000. She is also the managing director of one of our Promoters, HDFC. She holds a bachelor's degree in Law from the University of Mumbai and a master's degree in Economics from the University of Delhi. She is a Parvin Fellow – Woodrow Wilson School of International Affairs, Princeton University, USA. She joined HDFC in 1978 and was appointed as executive director in 2000. She was re-designated as the Joint Managing Director of HDFC in 2007 and was appointed as the managing director with effect from January 1, 2010. Some of her recent recognitions include, being awarded 'Outstanding Woman Business Leader' at the CNBC-TV18 Indian Business Leader Awards 2012, being part of the 25 Most Influential Women Professionals in India – India Today Magazine's power list 2011, being featured amongst the list of '25 top non-banking women in finance' by U.S. Banker magazine and Wall Street Journal Asia adjudged her among the 'Top Ten Powerful Women to Watch Out for in Asia'.

Norman Keith Skeoch is a Non-Executive Director on our Board and has been appointed as a nominee of Standard Life Investments. He has been on our Board since October 26, 2005. He holds a Bachelor of Arts degree in Economics from University of Sussex, United Kingdom and Master of Arts degree in Economics from University of Warwick. He has been on the board of Standard Life Aberdeen plc (formerly known as Standard Life plc) since 2006 and was appointed chief executive officer in 2015, having been the chief executive officer at Standard Life Investments Limited, one of our Company's Promoters, since 2004. He is a non-executive director of the Financial Reporting Council in the United Kingdom.

James Baird Aird is a Non-Executive Director on our Board and has been appointed as a nominee of Standard Life Investments. He has been on our Board since April 23, 2009. He holds a degree in Economics from Edinburgh University. He has been the Chief Executive of Ignis Investment Services Limited, since 2015, where he is responsible for the day to day management of the business. In addition, he is Head of Corporate Development for Standard Life Aberdeen plc (formerly Standard Life plc) where he focuses on developing new international business, joint ventures and mergers and acquisitions and has responsibility for corporate finance. He joined Standard Life Aberdeen plc in 1997 and has held a number of senior roles within Standard Life Aberdeen plc including as Chief Executive of Standard Life Investments mutual fund business and as a director of Standard Life Investments (Asia) in Hong Kong.

Hoshang Billimoria is an Independent Director on the Board. He has been on our Board since July 4, 2000. He holds a bachelor's degree in Commerce from University of Bombay and he is a fellow of the Institute of Chartered Accountants (England and Wales) and of the Institute of Chartered Accountants of India. He is presently the chief executive officer of Next Gen Publishing Private Limited. Prior to this, he was associated with Tata Infomedia

Limited and at the time of his resignation, he was its vice-chairman and managing director. He was also the deputy chief executive officer with Tata Sons Limited. He was a partner with M/s S.B. Billimoria and Co. He was the president of the Council for Fair Business Practices.

Humayun Dhanrajgir is an Independent Director on our Board. He has been a Director on our Board since July 4, 2000. He holds a bachelor's degree in chemical engineering from Loughborough University, M.I. Chem E (U.K.), C.Eng (U.K.) and has completed the advanced management programme from Harvard Business School. He has held various senior management positions in the erstwhile Glaxo India Limited, became the managing director in 1990 and retired as executive vice-chairman. He was also the president of the Organisation of Pharmaceuticals Producers of India. He also served as a member of the Bombay Chamber of Commerce and Industry. Subsequent to that he was the managing director of Lupin Laboratories Limited. He was also the managing director of Kodak India Limited for a five-year term and retired in October 2000. He was also with Burmah Shell India from 1964 to 1969 having served in senior positions. He is a trustee of Breach Candy Hospital Trust. Currently, he is the Chairman of Emcure Pharmaceuticals Limited and Next Gen Publishing Private Limited and serves on the boards of certain companies including listed entities as an independent director.

P. M. Thampi is an Independent Director on our Board. He has been on our Board since July 4, 2000. He holds a bachelor's degree in Science from University of Madras, a post-graduate diploma in Chemical Engineering from Battersea Polytechnic London. He is a corporate member of Institution of Chemical Engineers and has been conferred with the title "F.I. Chem. E.". As a corporate member of the Institution of Chemical Engineers on the date of the grant of a Royal Charter to The Council of Engineering Institutions, he is entitled to use the title "Chartered Engineer". He was the chairman and managing director of BASF India Limited for over 13 years. Prior to this, he was with Imperial Chemical Industries India (Private) Limited. His last position held at Imperial Chemical Industries (India) Private Limited was as the chief executive of the explosives division. He is also a director on the board of various companies.

Deepak Phatak is an Independent Director on our Board. He has been on our Board since July 4, 2000. He holds a bachelor's degree in Electrical Engineering from University of Indore, a master's degree in Technology from Indian Institute of Technology, Bombay ("**IIT, Bombay**") and a Doctorate in Philosophy from IIT, Bombay. He has been associated with the IIT, Bombay and is presently a professor in the department of computer science & engineering. He is on the board of various other companies. Some of his recognitions include being awarded with a 'Lifetime Achievement Award" in 2003 by Skoch, "Lifetime Achievement Award" conferred by Dataquest in 2008, "Excellence in Teaching" award by the IIT, Bombay in 2009, "Padma Shri" award conferred by the Government of India in 2013 for his contribution in science and technology, "Lifetime Achievement Award" conferred by the IIT, Bombay in 2014, "Lifetime Achievement Award" conferred by InterOp, Mumbai in 2014 and "Lifetime Achievement Award" conferred by Computer Society of India, in 2018.

Rajeshwar Bajaaj is an Independent Director on our Board. He has been a director on our Board since October 26, 2005. He holds a bachelor's degree in Science. He has been associated with Lerch Bates & Associates Inc. He was the chairman of the board of directors and managing director of Otis Elevator Co. (India) Limited. Thereafter, he had worked with Special Olympics Inc. as the managing director, Asia Pacific. He is also a director on the board of various companies.

Vijay Merchant is an Independent Director on our Board. He has been a director on our Board since December 24, 2007. He holds a bachelor's degree in Commerce from University of Bombay and has completed the post graduate diploma in Business Administration from Indian Institute of Management, Ahmedabad. He is a partner of Dynam Plastics. He has worked with Mafatlal Group of Companies in Administration. He was the president of Indian Plastics Institute and was the former president of the All India Plastic Manufacturing Association. He was the founder member of Indian Centre for Plastics in Environment. He was also associated with Indian Institute of Packaging (Ministry of Commerce), Indian Merchants Chamber, Enviroplast Plastindia Foundation, Indian Plastics Institute, The Plastic Export Promotion Council. He was the honorary editor of Industry Journal Plastics News. He has been conferred with the "Meritorious Service Award" by the Indian Plastics Institute in 2002, the "Best Presentation" award by Identiplast in 2007, an award for appreciation and gratitude by HDFC Bank and a golden jubilee year award by All India Plastics Manufacturers Association.

Milind Barve is the Managing Director and an Executive Director of our Company since July 4, 2000. He has a bachelor's degree in Commerce from University of Poona and he is also a fellow of the Institute of Chartered Accountants of India. He has been associated with HDFC in the capacity of general manager – treasury where he headed the treasury operations at HDFC for 14 years and was responsible for the management of HDFC's treasury portfolio and for raising funds from financial institutions and capital markets. He was also the head of marketing for retail deposit products and responsible for investment advisory relationships for Commonwealth Equity Fund Mutual Fund and Invesco India Growth Fund.

Arrangement or understanding with major shareholders, customers, suppliers or others

Except for Deepak Parekh, Keki Mistry and Renu Karnad who have been nominated by HDFC and Norman Keith Skeoch and James Baird Aird who have been nominated by Standard Life Investments, none of our Directors or other members of senior management have been appointed pursuant to an understanding or arrangement with shareholders, customers, suppliers or others.

A. **Terms of appointment of our Executive Director**

Milind Barve has been appointed as the Managing Director of our Company for a period of three years with effect from November 1, 2017 till October 31, 2020, pursuant to a board resolution dated October 13, 2017, a shareholders' resolution dated October 14, 2017 and an agreement dated October 23, 2017 between our Company and Milind Barve.

Further, the Board of Director at its meeting held on April 16, 2018 based on the recommendation of Nomination & Remuneration Committee approved remuneration payable to him which was within limits approved by the Shareholders resolution dated October 14, 2017. His significant terms of employment are as below:

Sr. No.	Remuneration	Details
1.	Basic salary	₹2.60 million per month
2.	Perquisites and benefits	Includes club fees subject to a maximum of two clubs, club fees of hotels / business centers, car with driver and maintenance, telephone for our Company's business at his residence, facility arrangement at his residence, insurance premium paid as per the policy of our Company, contribution to provident fund and all other benefits as are applicable to other senior employees of our Company.
3.	Commission	Commission per annum shall be equivalent to such sum as may be fixed by our Board or the Nomination & Remuneration Committee, subject to a ceiling of 1% of the net profits of our Company.
4.	Others	Retirement benefits in the form of post retirement pension and other post retirement benefits in the form of medical benefits, facility arrangement at his residence, use of our Company's guest house, transfer of club membership, use of car and such other benefits in accordance with the schemes framed by our Company and approved by our Board or the Nomination & Remuneration Committee, from time to time. The retiral benefits will be available on retirement or end of service from our Company, whichever is earlier.

Milind Barve was paid an aggregate compensation of ₹ 66.51 million (excluding perquisite on exercise of employee stock options which was ₹ 210.40 million) in Fiscal 2018.

With respect to our Managing Director, there is no contingent or deferred payment received for Fiscal 2018

Remuneration for Non-Executive Directors and Independent Directors

Our Non-Executive Directors and Independent Directors are eligible for sitting fees for attending each meeting of the Board or committees thereof. Details of the sitting fees paid by our Company to the Non-Executive Directors and Independent Directors in Fiscal 2018 are as follows:

Sr. No.	Name of Director	Total amount of sitting fees paid (₹ in million)	Total amount of commission paid (₹)
1.	Deepak Parekh	1.90	-
2.	Keki Mistry	2.50	-
3.	Renu Karnad	1.80	-
4.	Norman Keith Skeoch	N.A	-
5.	James Baird Aird	N.A	-
6.	Hoshang Billimoria	2.40	-
7.	Humayun Dhanrajgir	2.00	-
8.	P. M. Thampi	2.10	-
9.	Deepak Phatak	1.40	-
10.	Rajeshwar R. Bajaaj	1.60	-
11.	Vijay Merchant	2.50	-

Changes in the Board of Directors in the last three years

There has not been any change in the Board of Directors in the last three years.

Service contracts

As on the date of this Prospectus, except for the service contract dated October 23, 2017 entered into with our Executive Director, Milind Barve, and as disclosed under '*Arrangement or understanding with major shareholders, customers, suppliers or others – Terms of appointment of our Executive Director*' at page 226 of this Prospectus, our Company has not entered into any service contracts, pursuant to which its officers, including its Directors and Key Management Personnel, are entitled to benefits upon termination of employment.

Bonus or profit-sharing plan of our Directors

Except to the extent of Equity Shares held by our Directors and issuance of employees stock options and discretionary performance variable pay to our Executive Director, none of our Directors are a party to any bonus or profit sharing plan by our Company.

Shareholding of our Directors in our Company

For details on shareholding of the Directors in our Company please see "*Capital Structure – Notes to Capital Structure - Shareholding of our Directors and/ or Key Management Personnel*" on page 89 of this Prospectus.

The Articles of Association do not require the Directors to hold any qualification Equity Shares.

Except as stated below, none of our Directors have been or are directors on the boards of listed companies that have been/ were delisted from any stock exchanges in India.

1. ***Keki Mistry and Renu Karnad***

Name of the company	GRUH Finance Limited
Listed on	Ahmedabad Stock Exchange Limited ("**ASEL**") (Regional Stock Exchange)
Date of delisting on ASEL	November 25, 2009
Whether the delisting was	Voluntary

compulsory or voluntary delisting	
Reasons for delisting	The equity shares of GRUH Finance Limited were listed with ASEL from January 8, 1993 and no trading was conducted on ASEL for the period of three years at that time.*
Whether the company has been relisted on ASEL	No
Date of relisting in the event the company is relisted	N.A.
Name of the stock exchange(s) on which the company was relisted	N.A.
Term (along with relevant dates) in the above company	Keki Mistry is a director on the board of GRUH Finance Limited since July 28, 2000. Renu Karnad was a director on the board of GRUH Finance Limited from July 28, 2000 up to October 21, 2016; and is a director on the board of GRUH Finance Limited since February 1, 2018.

* Equity shares of GRUH Finance Limited are still listed on BSE and NSE.

2. ***Humayun Dhanrajgir***

Name of the company	Kodak India Limited
Listed on	NSE and BSE
Date of delisting on NSE and BSE	May 23, 2003
Whether the delisting was compulsory or voluntary delisting	Voluntary
Reasons for delisting	Kodak India Limited became a 100% subsidiary of Eastman Kodak Company, USA
Whether the company has been relisted on NSE or BSE	No
Date of relisting in the event the company is relisted	N.A.
Name of the stock exchange(s) on which the company was relisted	N.A.
Term (along with relevant dates) in the above company	Managing director for five years from October 1995 to October 2000 and non-executive director from October 2001 to July 31, 2004.

None of our Directors have been, or are, directors on the boards of listed companies during the last five years preceding the Draft Red Herring Prospectus, and until this Prospectus whose shares have been or were suspended from trading on BSE or NSE.

Borrowing powers of our Board

In accordance with the provisions of the Articles of Association, the Board may, borrow or raise any monies required for the purpose of our Company upon such terms and in such manner with or without security as it may determine. In this regard, our Company, at its meeting of the Board dated April 16, 2018 and its meeting of the shareholders dated April 17, 2018 has resolved that subject to the provisions of the Companies Act, 2013 including without limitation Section 180(1)(c) of the Companies Act, 2013 and the rules and regulations issued thereunder, the Board is authorised to borrow money for the purpose of the business of our Company up to an amount of ₹ 20,000 million.

Interest of Directors

All Directors may be deemed to be interested to the extent of fees and remuneration, as applicable, payable to them for attending meetings of the Board or a Committee thereof as well as to the extent of reimbursement of expenses payable to them. Our Executive Director may be deemed to be interested to the extent of remuneration payable to him for services rendered as an officer or employee of our Company and to the extent of employee stock options held by him.

The Directors may also be deemed to be interested to the extent of the Equity Shares and employees stock options, if any, held by them, directly or indirectly, and in any dividend and other distribution which may be made by our Company in the future in respect of such holding. The Directors may also be regarded as interested in Equity Shares held by or that may be subscribed by and allotted to the companies, firms and/or trust, in which they are interested as directors, members, partners and/or trustees. For further details, please see "*Capital Structure - Shareholding of our Directors and/ or Key Management Personnel*" on page 89 of this Prospectus.

Our Directors have no interest in any property acquired by our Company within two years from the date of the Draft Red Herring Prospectus or proposed to be acquired by our Company as of the date of the Draft Red Herring Prospectus, and until the date of this Prospectus.

Our Directors have no interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as, a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Our Directors have no interest in the promotion of our Company.

Except as stated at "*Interest of Directors*" above and at "*Financial Information*" from pages 228 and 262 of this Prospectus, respectively, our Directors have not entered into any transactions with our Company and do not have any other interest in the business of our Company.

No loans have been availed by our Directors or the Key Management Personnel from our Company. None of the beneficiaries of any loans or advances granted by our Company are related to our Directors. Further, except for the fees payable to our Company for the investment advisory services provided to SLI on a quarterly basis, none of the sundry debtors are related to our Directors.

Except as disclosed below, none of our Directors are involved with any ventures which are in the same line of activity or business as that of our Company:

Norman Keith Skeoch and James Baird Aird

Standard Life Aberdeen plc is a global investment company which, through its subsidiaries, Aberdeen Asset Management PLC and Standard Life Investments (Holdings) Limited is involved in the asset management business.

Appointment of any relatives of our Directors to an office or place of profit

None of the relatives of our Directors have been appointed to an office or place of profit in our Company.

Corporate Governance

The provisions of the Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations, specifically the corporate governance requirement of the Listing Regulations to the extent applicable, the Companies Act, 2013 and the ICDR Regulations in respect of corporate governance particularly in relation to constitution of the Board and committees of our Board. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, each as required under law.

Our Board is constituted in compliance with the Companies Act, the Listing Regulations and SEBI Mutual Fund Regulations and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. Our Company's executive management provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has 12 Directors, headed by the Chairman who is a Non-Executive Director. In compliance with the requirements of Regulation 17 of the Listing Regulations, we have six Independent Directors on the Board, in addition to one Managing Director and five Non-Executive Directors (which includes one woman director). In compliance with the provisions of the Companies Act, at least two-third of our Directors, other than our Independent Directors, are liable to retire by rotation.

Committees of the Board

A. **Audit Committee**

The members of the Audit Committee are:

Sr. No.	Name of the Director	Designation
1.	Hoshang Billimoria – Chairman	Independent Director
2.	Humayun Dhanrajgir	Independent Director
3.	P. M. Thampi	Independent Director
4.	Keki Mistry	Non-Executive Director
5.	James Baird Aird	Non-Executive Director
6.	Vijay Merchant	Independent Director

The Audit Committee was constituted by a meeting of the Board of Directors held on April 17, 2001 and was last re-constituted by a resolution of the Board on February 28, 2018. The scope and function of the Audit Committee is in accordance with the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The terms of reference of the Audit Committee include:

A. Powers of Audit Committee

The Audit Committee shall have all powers, as prescribed under the Companies Act, 2013 and the Listing Regulations, including the following:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee.

3. To obtain outside legal or other professional advice.

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements and the auditors' report thereon, before submission to the Board for approval, with particular reference to:

    a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
    b. changes, if any, in accounting policies and practices and reasons for the same.
    c. major accounting entries involving estimates based on the exercise of judgment by management.
    d. significant adjustments made in the financial statements arising out of audit findings.
    e. compliance with listing and other legal requirements relating to financial statements.
    f. disclosure of any related party transactions.
    g. modified opinion (s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

6. Reviewing the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.

7. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.

9. Approval or any subsequent modification of transactions of the Company with related parties.

10. Scrutiny of inter-corporate loans and investments.

11. Valuation of undertakings or assets of the Company, wherever it is necessary.

12. Evaluation of internal financial controls and risk management systems.

13. Reviewing with management, performance of statutory and internal auditors, and adequacy of the internal control systems.

14. To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.

15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

16. Discussion with internal auditors any significant findings and follow up there on.

17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

20. Reviewing the functioning of the Whistle Blower Mechanism.

21. Reviewing the reports/ certificates placed before it as mandated by SEBI/ Companies Act, 2013 or as required under policies framed by the AMC for HDFC Mutual Fund/ Portfolio Management Services and Alternate Investment Fund from time to time.

22. Approval of appointment of Chief Financial Officer (i.e., the whole-time finance director or the head of finance or any other person heading and discharging the finance function) after assessing the qualifications, experience and background, etc. of the candidate.

23. To appoint a person having such qualifications and experience as a registered valuer for valuation, if required to be made, in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a company or its liabilities, in such manner, on such terms and conditions as may be prescribed

24. To mandatorily review:

    a. Management discussion and analysis of financial condition and results of operations;
    b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    d. Internal audit reports relating to internal control weaknesses;
    e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
    f. Statement of deviations in terms of the Listing Regulations:
        i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and
        ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

B. **Nomination & Remuneration Committee**

The members of the Nomination & Remuneration Committee are:

Sr. No.	Name of the Director	Designation
1.	P. M. Thampi – Chairman	Independent Director
2.	Hoshang Billimoria	Independent Director
3.	Humayun Dhanrajgir	Independent Director
4.	Vijay Merchant	Independent Director

The Nomination & Remuneration Committee was constituted as the remuneration committee pursuant to a meeting of the Board of Directors on April 24, 2002. The remuneration committee was renamed to Nomination & Remuneration Committee pursuant to a meeting of the Board of Directors held on April 16, 2014 and was last reconstituted pursuant to meeting of the Board of Directors held on July 21, 2017. The terms of reference of the Nomination & Remuneration Committee were last revised pursuant to a meeting of the Board of Directors held on March 8, 2018. The scope and function of the Nomination & Remuneration Committee is in accordance with the Companies Act, 2013, and Regulation 19 of the Listing Regulations.

The terms of reference of the Nomination & Remuneration Committee include:

i. identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

ii. formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

iii. while formulating the policy as aforesaid ensure that—

(*a*) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(*b*) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(*c*) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

Explanation.—The expression ''senior management'' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads;

iv. formulation of criteria for evaluation of performance of independent directors and the board of directors;

v. devising a policy on diversity of board of directors;

vi. review and recommend compensation payable to the Managing Director /Whole Time Directors of the Company including any variation therein from time to time and administer the company's stock option plans subject to the applicable law;

vii. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

viii. any other matters / authorities / responsibilities / powers assigned as per Companies Act 2013, Rules made thereunder and Listing Regulations, as amended from time to time.

C. **Stakeholders Relationship Committee**

The members of the Stakeholders Relationship Committee are:

Sr. No.	Name of the Director	Designation
1.	Renu Karnad - Chairman	Non-Executive Director
2.	Deepak Parekh	Non-Executive Director and Chairman
3.	P. M. Thampi	Independent Director
4.	Humayun Dhanrajgir	Independent Director
5.	Deepak Phatak	Independent Director
6.	Rajeshwar Bajaaj	Independent Director
7.	Vijay Merchant	Independent Director
8.	James Baird Aird	Non-Executive Director

The Stakeholders Relationship Committee was originally constituted as the investor grievance committee pursuant to a meeting of the Board of Directors held on October 17, 2003. The name of investor grievance committee was changed to customer services committee pursuant to meeting of the Board of Directors on February 3, 2004. Further, the customer services committee was last reconstituted as the Stakeholders Relationship Committee pursuant to a meeting of the Board of Directors held on February 28, 2018. The scope and function of the Stakeholders Relationship Committee is in accordance with the Section 178 of the Companies Act, 2013, and Regulation 20 of the Listing Regulations.

The terms of reference of the Stakeholders Relationship Committee include:

1. To review the activities carried out by the investor service centres of the Company and their adherence to service standards;

2. To review the steps taken by the Company to redress the grievances of the investors and the cases, if any, pending before the Courts/Forums/Regulatory Authorities against the Company / Mutual Fund;

3. To specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders; and

4. To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

D. **CSR Committee**

The members of the CSR Committee are:

Sr. No.	Name of the Director	Designation
1.	Deepak Parekh – Chairman	Non-Executive Director and Chairman
2.	Milind Barve	Managing Director
3.	Vijay Merchant	Independent Director

The CSR Committee was constituted by a resolution of the Board on April 16, 2014. The scope and function of the CSR Committee is in accordance with the Companies Act, 2013.

The terms of reference of the CSR Committee include the powers:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;

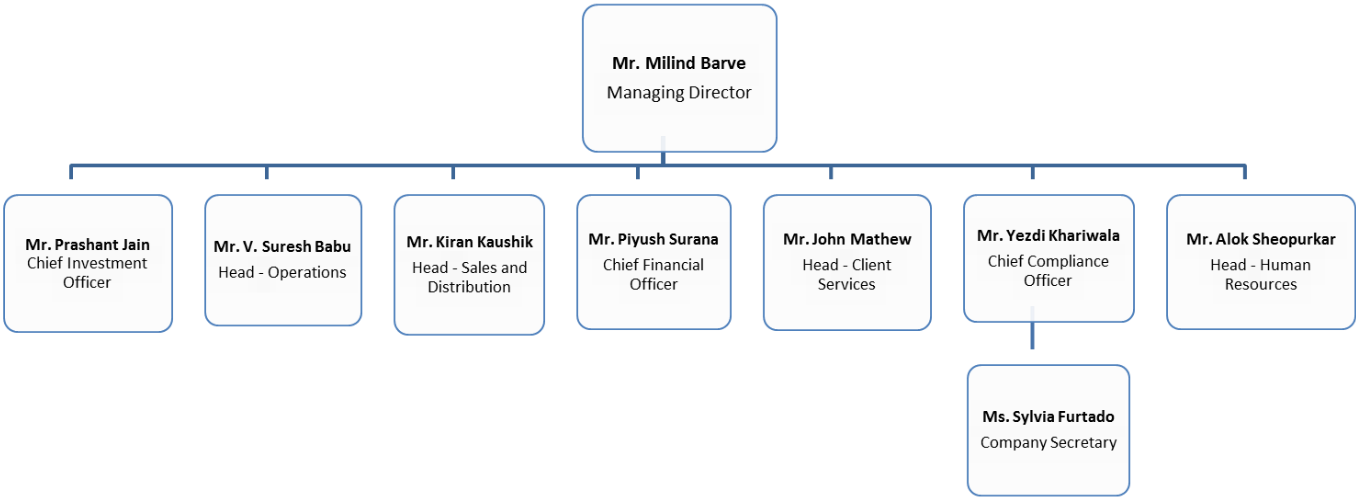
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (1) above;

3. Formulation of a transparent monitoring mechanism for implementation of the CSR projects, programmes or activities undertaken by the Company by partnering with NGOs /Trusts / Organizations, Companies, etc.;

4. Approve the process/procedures to be adhered for undertaking CSR activities /projects; and

5. Any other as requirements mandated under the Companies Act, 2013 and Rules issued thereto.

Management organisation structure



Key Management Personnel

The details of the Key Management Personnel other than our Managing Director, as on the date of this Prospectus, are set out below.

Prashant Jain is the Chief Investment Officer of our Company. He holds a bachelor's degree in Technology from the Indian Institute of Technology, Kanpur and holds a post graduate diploma in Management from Indian Institute of Management, Bangalore. He is also a designated Chartered Financial Analyst from the Chartered Financial Analyst Institute, USA. He has been associated with our Company for over 14 years since June 20, 2003 and was appointed as the Chief Investment Officer of our Company with effect from July 1, 2004. Prior to joining our Company, he was associated with Zurich Asset Management Company (India) Private Limited and SBI Mutual Funds Management Private Limited. The remuneration paid to him for Fiscal 2018 was ₹ 65.49 million (excluding perquisite on exercise of employee stock options which was ₹ 173.14 million).

V. Suresh Babu is the Head of Operations of our Company. He holds a bachelor's degree in Commerce from University of Bangalore and is also a member of the Institute of Cost and Works Accountants of India. He has been associated with our Company for over 18 years and was appointed as the Head of Operations of our Company with effect from May 3, 2000. Prior to joining our Company, he was associated with Sundaram Newton Asset Management Company Limited and Canbank Investment Management Services LimitedThe remuneration paid to him for Fiscal 2018 was ₹ 14.63 million (excluding perquisite on exercise of employee stock options which was ₹ 52.36 million).

Kiran M. Kaushik is the Head of Sales and Distribution of our Company. He holds a bachelor's degree in commerce from University of Bangalore. He has been associated with our Company for over 17 years since March 1, 2001 and was appointed as the Head of Sales and Distribution of our Company with effect from January 2, 2007. Prior to joining our Company, he was associated with Union Bank of India. The remuneration paid to him for Fiscal 2018 was ₹ 12.40 million (excluding perquisite on exercise of employee stock options which was ₹ 32.41 million).

Piyush Surana is the Chief Financial Officer of our Company. He holds a bachelor's degree in Commerce and a bachelor's degree in law from the University of Jodhpur. He is also a member of the Institute of Chartered Accountants of India and certified financial planner from Financial Planning Standards Board India. He has been associated with our Company for over five years and was appointed as the Chief Financial Officer of our Company with effect from February 25, 2013. Prior to joining our Company, he was associated with Daiwa Asset Management (India) Private Limited, Shinsei Corporate Advisory Services Private Limited and Alliance Capital

Asset Management (India) Private Limited. The remuneration paid to him for Fiscal 2018 was ₹ 12.30 million (excluding perquisite on exercise of employee stock options which was ₹ 31.80 million).

John Mathew is the Head of Client Services of our Company. He holds a bachelor's degree in Commerce from University of Bombay, holds a post graduate diploma in Systems Management from National Institute of Information Technology, has completed the Executive Program in Management from Columbia School of Business, USA and is a certified Anti Money Laundering Specialist affirmed by Association of Certified Anti- Money Laundering Specialists. He has obtained certification from National Institute Securities Markets – Series V A Mutual Fund Distributors. He has been associated with our Company for over 17 years since July 1, 2000 and was appointed as the Head of Client Services of our Company with effect from October 28, 2003. He has also been appointed as the Principal Officer under the Prevention of Money Laundering Act, 2002 and as the Responsible Officer under Foreign Account Tax Compliance Act of USA. Prior to joining our Company, he was associated with Housing Development Finance Corporation Limited, Weizmann Limited and Wall Street Finance Limited. The remuneration paid to him for Fiscal 2018 was ₹ 14.08 million (excluding perquisite on exercise of employee stock options which was ₹ 34.63 million).

Yezdi Khariwala is the Chief Compliance Officer of our Company. He holds a bachelor's degree in Commerce from University of Bombay and holds a post graduate diploma in Securities Law from Government Law College. He has been associated with our Company for over 14 years since May 17, 2004 and was appointed as the Chief Compliance Officer of our Company with effect from July 14, 2005. Prior to joining our Company, he was associated with Sun F&C Asset Management (I) Private Limited and Tata Share Registry Limited. The remuneration paid to him for Fiscal 2018 was ₹ 13.95 million (excluding perquisite on exercise of employee stock options which was ₹ 86.21 million).

Sylvia Furtado is the Company Secretary of our Company. She holds a bachelor's degree in Commerce from University of Bombay, bachelor's degree in law from University of Bombay and is an associate member of the Institute of Company Secretaries of India. She has been associated with our Company for over 12 years since September 1, 2005 and was appointed as the Company Secretary with effect from January 25, 2006. Prior to joining our Company, she was associated with HDFC Bank Limited and CEAT Limited. The remuneration paid to her for Fiscal 2018 was ₹7.01 million (excluding perquisite on exercise of employee stock options which was ₹ 21.14 million).

Alok Sheopurkar is the Head of Human Resources of our Company. He holds a bachelor's degree in Commerce, a bachelor's degree in law and a master's degree Personnel Management and Industrial Relations from Jiwaji University, Gwalior. He has been associated with our Company for over 12 years and was appointed as the as the Head of Human Resources of our Company with effect from May 5, 2006. Prior to joining our Company, he was associated with Tata - AIG General Insurance Company Limited, Tata - AIG Life Insurance Company Limited, Cadbury India Limited and Crompton Greaves Limited. The remuneration paid to him for Fiscal 2018 was ₹ 12.29 million (excluding perquisite on exercise of employee stock options which was ₹28.18 million).

None of our Key Management Personnel are related to each other. Further, none of our Key Management Personnel have been appointed pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

All our Key Management Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

For details on shareholding of the Key Managerial Personnel in our Company please see "*Capital Structure - Shareholding of our Directors and/ or Key Management Personnel*" on page 89 of this Prospectus.

Bonus or profit sharing plan of the Key Management Personnel

None of our Key Management Personnel are a party to any bonus or profit sharing plan. However, our Key Management Personnel are paid performance based discretionary incentives and are entitled to receive options pursuant to the ESOS Schemes. For further details please see "*Capital Structure*" on page 92 of this Prospectus.

Interests of Key Management Personnel

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration (including employees stock options) and to the extent of any dividend payable to them or benefits to which they are entitled to as per their terms of appointment, their respective shareholding in our Company, and the reimbursement of expenses incurred by them during the ordinary course of business.

Changes in the Key Management Personnel

There are no changes in the Key Management Personnel of our Company in the last three years prior to the date of filing of the Draft Red Herring Prospectus and until the date of this Prospectus.

Payment or benefit to officers of our Company

Except as disclosed in this section and in the sub-section titled "*Capital Structure – Employee Stock Option Schemes*" on page 92 of this Prospectus, no non-salary related amount or benefit has been paid or given within two years from the date of the Draft Red Herring Prospectus and until the date of this Prospectus, or is intended to be paid or given, to any of our Company's officers, including the Directors and the Key Management Personnel.

Employee stock option and stock purchase schemes

As on the date of this Prospectus, our Company has implemented various stock option schemes. For further details, please see the sub-section titled "*Capital Structure – Employee Stock Option Schemes*" on page 92 of this Prospectus.

OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

Our Promoters

The Promoters of our Company are HDFC and Standard Life Investments. As on the date of this Prospectus, HDFC holds 120,772,800 Equity Shares and Standard Life Investments holds 80,515,200 Equity Shares, which constitutes 56.97% and 37.98%, respectively, of our Company's pre-Offer issued, subscribed and paid-up Equity Share capital.

1. History and other details of HDFC

HDFC was incorporated as a public limited company on October 17, 1977 under the Companies Act, 1956 and received a certificate of commencement of business on December 3, 1977. HDFC received a certificate of registration dated July 31, 2001 from the NHB under Section 29A of the NHB Act. Its CIN is L70100MH1977PLC019916 and its registered office is situated at Ramon House, 169, Backbay Reclamation, H. T. Parekh Marg, Mumbai 400 020, Maharashtra, India. The equity shares of HDFC were listed on BSE in 1978 and NSE in 1996. The equity shares of HDFC are currently listed on NSE and BSE.

As per the terms of the memorandum of association of HDFC, its main object is to, *inter alia*, advance money to any person, company, association or society, either at interest or without, and / or with or without any security, for the purpose of enabling the borrower to erect or purchase or enlarge or repair any house or building or lease any property in India on such terms and conditions as it may deem fit.

As on date, HDFC carries on the business of financing by way of loans for the purchase or construction of residential houses, commercial properties and certain other purposes, in India. All other activities of HDFC revolve around the main business carried out by it.

HDFC had filed an application for the proposed merger with the National Company Law Tribunal (NCLT), Mumbai bench, in relation to the composite scheme of amalgamation of five of its wholly-owned subsidiaries viz. Windermere Properties Private Limited, Haddock Properties Private Limited, Grandeur Properties Private Limited, Winchester Properties Private Limited and Pentagram Properties Private Limited with itself. The scheme of amalgamation was approved by the NCLT and the order was filed with the Registrar of Companies, Mumbai on April 27, 2018. Accordingly, HDFC has considered the operations of the said subsidiaries from April 1, 2016, as its own operations and accounted for the same in its books of accounts after making necessary adjustments.

HDFC does not have an identifiable promoter.

There has been no change in control or management of HDFC in the last three years immediately preceding the filing of the Draft Red Herring Prospectus and until the date of this Prospectus.

Board of directors

The board of directors of HDFC, as on the date of this Prospectus, is set out below:

Sr. No.	Name	Designation
1.	Deepak Parekh	Non-executive chairman
2.	Keki Mistry	Vice-chairman and chief executive officer
3.	Renu Karnad	Managing director
4.	V. Srinivasa Rangan	Executive director
5.	B. S. Mehta	Independent director
6.	Nasser Munjee	Independent Director
7.	Bimal Jalan	Independent Director
8.	J. J. Irani	Independent Director
9.	U. K. Sinha	Independent Director
10.	Jalaj Dani	Independent Director

Shareholding pattern

The shareholding pattern of HDFC as on June 30, 2018 is as provided below:

Category (I)	Category of shareholder (II)	No. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held	
								Class X	Class Y	Total				(a)	(b)	(a)	(b)	
(A)	Promoter & Promoter Group	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(B)	Public	248,429	1,683,633,848	-	-	1,683,633,848	100.00	1,683,633,848	-	1,683,633,848	100.00	32,313,100	98.12	64,329,882	3.82	-	-	1,670,991,239
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**248,429**	**1,683,633,848**	**-**	**-**	**1,683,633,848**	**100.00**	**1,683,633,848**	**-**	**1,683,633,848**	**100.00**	**32,313,100**	**98.12**	**64,329,882**	**3.82**	**-**	**-**	**1,670,991,239**

Financial Performance

The following table sets forth details of the brief audited financial results of HDFC on a standalone basis for Fiscal 2018, Fiscal 2017 and Fiscal 2016:

(in ₹ millions, except per share data)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Equity capital	3,351.8	3,177.3	3,159.7
Reserves and Surplus (including money received against warrants)	610,673.6	393,276.5	3,38,050.9
Total Income	352,298.9	331,596.0	309,565.7
Profit/ (loss) after tax	121,636.3	74,426.4	70,931.0
Basic earnings per share (Face value ₹ 2 each)	74.83	46.08	44.43
Diluted earnings per share (Face value ₹ 2 each)	73.73	45.70	44.10
Dividend (%)	2,000	1,800	1,700
Net asset value per share	366.39	249.55	215.98

Except as disclosed below, there are no significant notes of the auditors in relation to the aforementioned financial statements:

The below mentioned emphasis was added by the auditors in the audit report for Fiscal 2016 and Fiscal 2017:

"We refer to Note 3.2 to the standalone financial statements, which describes the accounting treatment used by the Corporation in creating the Deferred Tax Liability on Special Reserve under section 36(1)(viii) of the Income Tax Act, 1961 as at April 1, 2014, which is in accordance with the National Housing Bank's Circular No. NHB (ND)/DRS/Pol. Circular No. 65/2014 dated August 22, 2014.

Our opinion is not modified in respect of this matter.

Note 3.2 referred above is produced below:

Vide circular NHB(ND)/DRS/Pol. 62/2014 dated May 27, 2014, the National Housing Bank (NHB) had directed Housing Finance Companies (HFCs) to provide for deferred tax liability in respect of the balance in the "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961. Vide circular NHB(ND)/DRS/Pol. 65/2014 dated August 22, 2014, NHB has permitted HFCs to create the Deferred Tax Liability over a period of 3 years, in a phased manner in the ratio of 25:25:50. Accordingly, the Corporation had created 50 percent of deferred tax liability of ₹ 1,119.08 crore on the balance of accumulated Special Reserve as on April 1, 2014 by debiting the General Reserve in earlier years. During the year the Corporation has created balance 50 percent of deferred tax liability of ₹ 1,119.08 crore (Previous Year ₹ 559.54 crore) by debiting the General Reserve."

Share price information

The following table sets forth details of the highest and lowest price on BSE during the six months preceding the date of this Prospectus:

(in ₹)

Sr. No.	Month	Monthly High	Monthly Low
1.	January 2018	1,982.00	1,681.95
2.	February 2018	1,974.10	1,760.00
3.	March 2018	1,879.90	1,752.15
4.	April 2018	1,900.00	1,794.00
5.	May 2018	1,949.00	1,780.00
6.	June 2018	1,935.00	1,816.00

Source: www.bseindia.com

The following table sets forth details of the highest and lowest price on NSE during the six months preceding the date of this Prospectus:

(in ₹)

Sr. No.	Month	Monthly high	Monthly Low
1.	January 2018	1,986.05	1,677.50
2.	February 2018	1,975.30	1,757.05
3.	March 2018	1,881.50	1,756.10
4.	April 2018	1,898.00	1,792.00
5.	May 2018	1,941.90	1,780.05
6.	June 2018	1,936.00	1,817.00

Source: www.nseindia.com

The closing equity share price of HDFC as on July 27, 2018 on BSE and NSE was ₹ 2,044.45 and ₹ 2,047.25, respectively.

The market capitalization of HDFC as on July 27, 2018 on BSE and NSE was ₹ 3,455,635.22 million and ₹ 3,455,635.22 million, respectively.

Mechanism for redressal of investor grievance

The board of directors of HDFC has constituted a stakeholders relationship committee in accordance with Regulation 20 of the Listing Regulations and Section 178 of the Companies Act, 2013 to look into the redressal of shareholder/investor complaints.

HDFC normally takes three working days to dispose investor complaints. A status report on the number of correspondence including complaints received from investors is reviewed by the company secretary on a monthly basis, besides reviewing the resolution of the complaints received. A quarterly certificate is circulated to the members of stakeholders relationship committee, for their review. HDFC received 27 investor complaints in the last three financial years and all were disposed off.

Investor grievance

As at June 30, 2018, there were no investor complaint pending with respect to HDFC.

2. History and other details of Standard Life Investments

Standard Life Investments was incorporated as a private company limited by shares on February 27, 1990 under the Companies Act, 1985. It was originally incorporated as Dunwilco (202) Ltd, and underwent a number of name changes to become Standard Life Investments on July 7, 1998. Its registered office is 1, George Street, Edinburgh, United Kingdom. It is engaged in the business of providing investment management services to members of Standard Life Aberdeen plc Group. Standard Life Investments is permitted to undertake its present activities under its charter documents and relevant approvals obtained by it.

Standard Life Investments is not an original promoter of our Company. It acquired its initial equity shareholding in the Company when it acquired 5,200,000 equity shares from The Standard Life Assurance Company on August 29, 2001.

Except as described below, there has been no change in control or management of Standard Life Investments in the last three years immediately preceding the filing of the Draft Red Herring Prospectus and until the date of this Prospectus:

1. On December 31, 2015, Joanne Martin resigned as a Director of Standard Life Investments Limited.
2. On March 31, 2017, David Thorburn Cumming resigned as a Director of Standard Life Investments Limited.
3. On August 14, 2017, Colin Martin Clark resigned as a Director of Standard Life Investments Limited.

4. On November 14, 2017, William Regnar Littleboy resigned as a Director of Standard Life Investments Limited.
5. On December 1, 2017, Guy Stern, Colin Richard Walklin, Alan Stephen Acheson and Richard Anthony Charnock resigned as Directors of Standard Life Investments Limited.
6. On December 12, 2017, Martin James Gilbert was appointed as a Director of Standard Life Investments Limited.
7. On January 4, 2018, Sean Andrew Fitzgerald was appointed as a Director of Standard Life Investments Limited

Board of directors

The board of directors of Standard Life Investments, as on the date of this Prospectus, comprises the following members:

Sr. No.	Name	Designation
1.	Martin James Gilbert	Director
2.	Roderick Louis Paris	Director
3.	Norman Keith Skeoch	Director
4.	Michael Tumilty	Director
5.	Sean Andrew Fitzgerald	Director

Shareholding

Standard Life Investments (Holdings) Limited holds 34,440,000 shares of face value GBP 1 each which represents 100% of the issued, subscribed and paid-up equity share capital of Standard Life Investments.

Financial Performance

The following table sets forth details of the selected audited financial results of Standard Life Investments on a standalone basis for the years ended December 31, 2017, December 31, 2016 and December 31, 2015 respectively:

(in GBP unless indicated otherwise)

Particulars	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
Equity capital	34,440,000	34,440,000	34,440,000
Reserves and Surplus (excluding revaluation reserves)	154,681,000	162,543,000	127,845,000
Total income	724,554,000	777,531,000	625,674,000
Profit/(Loss) after tax	176,770,000	242,676,000	154,042,000
Basic earnings per share	537p	604p	380p
Diluted earnings per share	-	-	-
Dividend (%)	105%	86%	85%
Net asset value per share	4.63	4.92	4.07

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Promoter of Standard Life Investments

The promoter of Standard Life Investments is Standard Life Investments (Holdings) Limited.

Board of directors of Standard Life Investments (Holdings) Limited

The board of directors of Standard Life Investments (Holdings) Limited, as on the date of this Prospectus, comprises the following members:

Sr. No.	Name	Designation
1.	Countess Jutta Grevinde AF Rosenborg	Non-executive director

Sr. No.	Name	Designation
2.	John Devine	Non-executive director
3.	Gerhard Wilhelm Fusenig	Non-executive director
4.	Melanie Gee	Non-executive director
5.	Martin James Gilbert	Director
6.	Sir Gerald Edgar Grimstone	Non-executive director
7.	Richard Stephen Mully	Non-executive director
8.	Roderick Louis Paris	Director
9.	Kevin Allen Huw Parry	Non-executive director
10.	Martin St. Clair Pike	Non-executive director
11.	William John Rattray	Director
12.	Norman Keith Skeoch	Director
13.	Simon Richard Vivian Troughton	Non-executive director

I. Other understandings and confirmations

Our Company confirms that the PAN, as applicable, bank account numbers and company registration number and address of the Registrar of Companies where HDFC is registered and such equivalent information in case of Standard Life Investments have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Further, our Promoters and Group Companies have confirmed that they have not been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Promoters, Group Companies nor members of our Promoter Group or any persons in control of our Company have been debarred, or restricted from accessing the capital markets for any reason, by SEBI or any other authorities. Our Promoters are not nor have they been promoters or persons in control of any company which has been debarred, or restricted from accessing the capital markets for any reason, by SEBI or any other authorities.

There are certain legal proceedings involving our Promoters pending before various fora. For further details, please see "*Outstanding Litigation and Material Developments – Litigation involving our Promoters*" on page 360 of this Prospectus.

II. Nature and extent of interest of our Promoters

Interest of our Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding, direct or indirect, in our Company and in any dividend distribution in the past or which may be made by our Company in the future. For further details in this regard, please see "*Capital Structure*" on page 79 of this Prospectus.

Our Promoters are not interested as a member of any firm or any company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoters or by such firm or company in connection with the promotion or formation of our Company.

HDFC and Standard Life Investments entered into the Shareholders Agreement to set out the terms and conditions of their relationship as shareholders of our Company and certain matters connected therewith. On March 13, 2018, a termination agreement was entered into between HDFC and Standard Life Investments, pursuant to which (i) HDFC and Standard Life Investments have consented to such actions as may be taken by the Board and Shareholders in relation to initiation or consumation of the Offer as required under the SHA; and (ii) the SHA shall stand terminated with effect from the date on which the final listing and trading approval would be received by the Company from BSE and NSE. Further, on March 13, 2018, HDFC and Standard Life Investments entered into an inter-se agreement setting out certain arrangements amongst themselves in relation to the Offer and on a post-Offer basis. For further details, please see "*History and Certain Corporate Matters*" on page 210 of this Prospectus.

By way of a resolution passed by the board of directors of HDFC on July 9, 1999, our Company was permitted to use the words "HDFC" in the name of the Company. Further, we have also entered into an agreement for usage of information technology and information technology related services dated August 22, 2017 with HDFC. The Company has also entered into a leave and license agreement dated January 13, 2015 with HDFC. For further details pertaining to any contract, agreements or arrangements entered into between our Company and Promoters, see "*Related Party Transactions*" on page 260 of this Prospectus.

Except for the fees payable to the Company, for the investment advisory services provided to Standard Life Investments on a quarterly basis, none of the sundry debtors are related to our Promoters.

Except as disclosed in this Prospectus, our Promoters are not interested in any intellectual property rights which are used by our Company, or the entities owning or licensing such intellectual property rights to the Company.

Deepak Parekh, Keki Mistry and Renu Karnad have been nominated by HDFC and Norman Keith Skeoch and James Baird Aird by Standard Life Investments, on our Board.

1. Interest in property, land, construction of building, supply of machinery

None of our Promoters have any interest in any property acquired by our Company within two years preceding the date of filing the Draft Red Herring Prospectus with SEBI and until the date of this Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building, supply of machinery or any other contracts, agreements or arrangements entered into by our Company in the two years and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

2. Payment of benefits to our Promoters and Promoter Group during the last two years

Except as stated in "*Related Party Transactions*" on page 260 of this Prospectus and "*Interest of our Promoters"* above, there has been no payment or benefit, made or given, to our Promoters or Promoter Group during the two years preceding the filing of the Draft Red Herring Prospectus and until the date of this Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

III. Disassociation by our Promoters in the last three years

Except as disclosed herein below, our Promoters have not disassociated themselves from any companies or firms in the three years preceding the date of filing of the Draft Red Herring Prospectus and until the date of this Prospectus.

Sr. No.	Name of Promoter	Name of entity from which disassociated	Reason for disassociation	Date of disassociation in terms of shareholding
1.	HDFC	HT Parekh Foundation	Sale of equity shares	March 31, 2015
		Vayana Enterprises Private Limited		April 13, 2015
		Delta Brac Housing Finance Corporation Limited., Bangladesh^		March 31, 2016
		Angels Health Private Limited$		April 14, 2016
		PeopleStrong HR Services Private Limited$		March 30, 2017
		AEC Cements and Constructions Limited		August 11, 2017
		HDFC Developers Limited		January 24, 2018
		HDFC Realty Limited		January 24, 2018

Sr. No.	Name of Promoter	Name of entity from which disassociated	Reason for disassociation	Date of disassociation in terms of shareholding
		Meta Wellness Private Limited^	Sale of Convertible Preference Shares	March 29, 2018
		Feedback Infra Private Limited.**	Dilution due to investment by another investor	March 19, 2018
2.	Standard Life Investments	Standard Life Investments (Hong Kong No.2) Limited	Dormant company since inception and therefore no expectation of it being used in the near future and as a result a decision was taken to wind up the company	October 11, 2017
		Standard Life Investments (Japan) Limited	Shares in this entity were transferred to Aberdeen Asset Management PLC in contemplation of a merger with Aberdeen Investment Management K.K. which took effect on December 1, 2017	November 30, 2017
		Standard Life Investments (Trustee No. 1 UK PDF) Limited	Activities ceased and entity no longer required.	June 12, 2018
		Standard Life Investments (Trustee No. 10 UK PDF) Limited	Activities ceased and entity no longer required.	June 12, 2018
		Standard Life Investments (Trustee No. 2 UK PDF) Limited	Activities ceased and entity no longer required.	June 12, 2018
		Standard Life Investments (Trustee No. 3 UK PDF) Limited	Activities ceased and entity no longer required.	June 12, 2018
		Standard Life Investments (Trustee No. 4 UK PDF) Limited	Activities ceased and entity no longer required.	June 12, 2018
		Standard Life Investments (Trustee No. 5 UK PDF) Limited	Activities ceased and entity no longer required.	June 12, 2018
		Standard Life Investments (Trustee No. 6 UK PDF) Limited	Activities ceased and entity no longer required.	June 12, 2018
		Standard Life Investments (Trustee No. 8 UK PDF) Limited	Activities ceased and entity no longer required.	June 12, 2018
		Standard Life Investments (Trustee No. 9 UK PDF) Limited	Activities ceased and entity no longer required.	June 12, 2018
		Standard Life Investments (Trustee No. 7 UK PDF) Limited	Activities ceased and entity no longer required.	June 19, 2018
		Standard Life Investments (Schweiz) AG	Activities ceased and entity no longer required.	June 25, 2018
		Standard Life Investments (Trustees No. 11 UK PDF) Limited	Activities ceased and entity no longer required.	July 3, 2018
		Standard Life Investments (Trustees No. 12 UK PDF) Limited	Activities ceased and entity no longer required.	July 3, 2018

^Through HDFC Investments Limited, a wholly owned subsidiary of HDFC.
$Through HDFC Holdings Limited, a wholly owned subsidiary of HDFC.
*** Includes shareholding by HDFC Holdings Limited and HDFC Investments Limited, wholly owned subsidiaries of HDFC.*

IV. Other ventures

Except for the promoter group entities related to Standard Life Investments, being a Promoter of the Company, beginning on page 246 of this Prospectus, Standard Life Investments is not interested in any other ventures which are in the same line of activity or business as that of our Company, being the asset management business. Additionally, HDFC is not interested with any ventures which are in the same line of activity or business as that of our Company, being the asset management business.

V. Promoter Group

In addition to our Promoters, the following entities form a part of our Promoter Group:

Sl. No.	Entity Name
HDFC promoter group entities	
1.	Computer Age Management Services Private Limited
2.	Goods and Services Tax Network
3.	Griha Investments
4.	Griha Pte Limited
5.	GRUH Finance Limited
6.	GVFL Limited
7.	HDFC Bank Limited
8.	HDFC Capital Advisors Limited
9.	HDFC Credila Financial Services Private Limited
10.	HDFC Education and Development Services Private Limited
11.	HDFC ERGO General Insurance Company Limited
12.	HDFC Holdings Limited
13.	HDFC International Life and Re Company Limited
14.	HDFC Investments Limited
15.	HDFC Pension Management Company Limited
16.	HDFC Property Ventures Limited
17.	HDFC Sales Private Limited
18.	HDFC Standard Life Insurance Company Limited
19.	HDFC Trustee Company Limited
20.	HDFC Venture Capital Limited
21.	HDFC Ventures Trustee Company Limited
22.	Hindustan Oil Exploration Company Limited
23.	IDFC Infrastructure Finance Limited
24.	Next Gen Publishing Limited
25.	Ruralshores Business Services Private Limited
26.	Tamil Nadu Urban Infrastructure Financial Services Limited
27.	Tamil Nadu Urban Infrastructure Trustee Company Limited
28.	True North Ventures Private Limited
Standard Life Investments promoter group entities	
1.	Aberdeen Standard Investments (General Partner) Multi Asset II Limited
2.	ASI (General Partner PFF 2018) Sarl
3.	Castlepoint General Partner Limited
4.	Castlepoint Nominee Limited
5.	Ignis Cayman GP2 Limited
6.	Ignis Cayman GP3 Limited
7.	North American Strategic Partners GP, LP
8.	SL Capital Partners (US) Limited
9.	SL Capital Partners LLP
10.	SLCP (Founder Partner Ignis Private Equity) Limited
11.	SLCP (Founder Partner Ignis Strategic Credit) Limited

Sl. No.	Entity Name
12.	SLCP (General Partner 2016 Co-investment) Limited
13.	SLCP (General Partner CPP) Limited
14.	SLCP (General Partner EC) Limited
15.	SLCP (General Partner Edcastle) Limited
16.	SLCP (General Partner ESF I) Limited
17.	SLCP (General Partner ESF II) Limited
18.	SLCP (General Partner ESP 2004) Limited
19.	SLCP (General Partner ESP 2006) Limited
20.	SLCP (General Partner ESP 2008 Coinvestment) Limited
21.	SLCP (General Partner ESP 2008) Limited
22.	SLCP (General Partner ESP CAL) Limited
23.	SLCP (General Partner Europe VI) Limited
24.	SLCP (General Partner II) Limited
25.	SLCP (General Partner Infrastructure I) Limited
26.	SLCP (General Partner Infrastructure Secondary I) Limited
27.	SLCP (General Partner NASF I) Limited
28.	SLCP (General Partner NASP 2006) Limited
29.	SLCP (General Partner NASP 2008) Limited
30.	SLCP (General Partner Pearl Private Equity) Limited
31.	SLCP (General Partner Pearl Strategic Credit) Limited
32.	SLCP (General Partner SOF I) Limited
33.	SLCP (General Partner SOF II) Limited
34.	SLCP (General Partner SOF III) Limited
35.	SLCP (General Partner Tidal Reach) Limited
36.	SLCP (General Partner USA) Limited
37.	SLCP (General Partner) Limited
38.	SLCP (Holdings) Limited
39.	SLIPC (General Partner Infrastructure II LTP 2017) Limited
40.	SLIPC (General Partner Infrastructure II) S.a.r.l
41.	SLIPC (General Partner PMD Co-Invest) 2017 Limited
42.	SLIPC (General Partner SCF I) Limited
43.	SLTM Limited
44.	Standard Life Investments - India Advantage Fund
45.	Standard Life Investments (Corporate Funds) Limited
46.	Standard Life Investments (France) SAS
47.	Standard Life Investments (General Partner CRED) Limited
48.	Standard Life Investments (General Partner EPGF) Limited
49.	Standard Life Investments (General Partner European Real Estate Club II) Limited
50.	Standard Life Investments (General Partner European Real Estate Club III) Limited
51.	Standard Life Investments (General Partner European Real Estate Club) Limited
52.	Standard Life Investments (General Partner GARS) Limited
53.	Standard Life Investments (General Partner GFS) Limited
54.	Standard Life Investments (General Partner Global Tactical Asset Allocation) Limited
55.	Standard Life Investments (General Partner MAC) Limited
56.	Standard Life Investments (General Partner PDFI) Limited
57.	Standard Life Investments (General Partner UK PDF) Limited
58.	Standard Life Investments (General Partner UK Shopping Centre Feeder Fund LP) Limited
59.	Standard Life Investments (Hong Kong) Limited
60.	Standard Life Investments (Jersey) Limited
61.	Standard Life Investments (Mutual Funds) Limited
62.	Standard Life Investments (PDF No. 1) Limited
63.	Standard Life Investments (Private Capital) Limited

Sl. No.	Entity Name
64.	Standard Life Investments (Singapore) Pte. Ltd
65.	Standard Life Investments (USA) Limited
66.	Standard Life Investments Brent Cross General Partner Limited
67.	Standard Life Investments European RE Club (Offshore Feeder) Limited
68.	Standard Life Investments European RE Club II (Offshore Feeder) Limited
69.	Standard Life Investments Global Absolute Return Strategies Master Fund Ltd
70.	Standard Life Investments Global Absolute Return Strategies Offshore Feeder Fund Ltd
71.	Standard Life Investments Global Focused Strategies Master Fund Limited
72.	Standard Life Investments Global Focused Strategies Offshore Feeder Fund Limited
73.	Standard Life Investments Securities LLC
74.	Standard Life Investments UK Shopping Centre Feeder Fund Company Limited

VI. Group Companies

As per the requirements of the ICDR Regulations for the purpose of identification of Group Companies, our Board has considered companies covered in the list of related parties determined in accordance with AS 18 as on March 31, 2018 (excluding such related parties which are not companies).

Further, pursuant to a resolution passed by our Board at its meeting held on February 28, 2018, our Board approved that other than the entities covered under AS 18, there are no categories of entities which are material to the Company ought to be classified as 'group companies' of the Company.

Consequently, in addition to HDFC and Standard Life Investments, the following companies have been identified as Group Companies of our Company:

1. Griha Investments
2. Griha Pte. Limited
3. GRUH Finance Limited
4. HDFC Capital Advisors Limited
5. HDFC Credila Financial Services Private Limited
6. HDFC Education and Development Services Private Limited
7. HDFC ERGO General Insurance Company Limited
8. HDFC Holdings Limited
9. HDFC International Life and Re Company Limited
10. HDFC Investments Limited
11. HDFC Pension Management Company Limited
12. HDFC Property Ventures Limited
13. HDFC Sales Private Limited
14. HDFC Standard Life Insurance Company Limited
15. HDFC Trustee Company Limited
16. HDFC Venture Capital Limited
17. HDFC Ventures Trustee Company Limited

Unless otherwise specifically stated in this section, none of the Group Companies (i) are listed on any stock exchange in India or abroad; (ii) have completed any public or rights issue in the preceding three years; (iii) have become a sick company within the meaning of the erstwhile SICA; (iv) are under winding-up; (v) have become defunct; (vi) have made an application to the relevant registrar of companies in India in whose jurisdiction such Group Company is registered in the five years preceding the date of filing the Draft Red Herring Prospectus with SEBI, for striking off its name; (vii) have received any significant notes from the auditors; or (viii) had a negative net worth as of the date of their last audited financial statements.

Details of the top five Group Companies of our Company

The details of the top five Group Companies, excluding HDFC, Standard Life Investments, i.e. two largest listed Group Companies based on market capitalisation, and the three largest unlisted Group Companies, based on turnover, are as below:

1. **GRUH Finance Limited** ("**GRUH**")

Corporate information

GRUH was incorporated as a public limited company on July 21, 1986 under the Companies Act, 1956 with the Registrar of Companies, Gujarat and received its certificate for commencement of business on August 6, 1986. Its CIN is L65923GJ1986PLC008809. The name of the company was changed from Gujarat Rural Housing Finance Corporation Limited to GRUH Finance Limited with effect from July 20, 1995.

GRUH is carries on the business of providing long term finance to any person or persons, company or corporation, society or association of persons with interest and with security for the purpose of enabling such borrower to construct or purchase or enlarge any house or dwelling unit or any part or portion thereof in India for residential purposes upon such terms and conditions as it may deem fit.

Interest of our Promoters

As of June 8, 2018, HDFC holds 57.93% of the equity share capital of GRUH.

Financial Performance

Brief financial details of GRUH, extracted from its audited accounts for the past three financial years are as follows:

(₹ in millions except per share data)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Equity capital	731.44	729.13	727.36
Reserves (excluding revaluation reserve)	13,077.74	10,403.04	7,625.64
Sales	16,871.91	14,873.88	12,754.03
Profit after tax	3,626.84	2,966.52	2,435.75
Basic EPS (in ₹) (Face value ₹ 2 each)	9.93	8.15	6.70
Diluted EPS (in ₹) (Face value ₹ 2 each)	9.91	8.15	6.70
Net asset value per share	37.80	30.59	22.97

There are no significant notes of the auditors in relation to the aforementioned financial statements.

The equity shares of GRUH are currently listed on BSE and NSE.

Share price information

The following table sets forth details of the highest and lowest price on BSE during the six months preceding the date of this Prospectus:

(in ₹)

Sr. No.	Month	Monthly High	Monthly Low
1.	January 2018*	356.78	246.00
2.	February 2018*	295.18	250.25
3.	March 2018*	292.50	262.50
4.	April 2018*	342.23	286.05
5.	May 2018*	368.00	317.80
6.	June 2018*	381.95	297.60

Source: www.bseindia.com

** Share prices adjusted due to 1:1 Bonus issue in June 2018.*

The following table sets forth details of the highest and lowest price on NSE during the six months preceding the date of this Prospectus:

(in ₹)

Sr. No.	Month	Monthly high	Monthly Low
1.	January 2018*	358.85	246.28
2.	February 2018*	295.00	250.00
3.	March 2018*	290.50	259.78
4.	April 2018*	342.45	286.10
5.	May 2018*	368.85	316.55
6.	June 2018*	382.00	302.50

Source: www.nseindia.com
** Share prices adjusted due to 1:1 Bonus issue in June 2018.*

The closing equity share price of GRUH as on July 27, 2018 on BSE and NSE was ₹ 323.75 and ₹ 324.40, respectively (considering the effect of bonus issue in the ratio of 1:1).

The market capitalization of GRUH as of July 27, 2018, on BSE and NSE was ₹ 236,803.71 million and ₹ 237,279.14 million, respectively.

There has been no change in the capital structure of the GRUH in the last six months from the date of filing of this Prospectus except on exercise of options under ESOS scheme by employees of the Company and at the 32nd annual general meeting of GRUH held on May 30, 2018, the members had approved the issue of bonus shares in the proportion of 1:1 (i.e. one new fully paid up equity share of ₹2 each for every 1 (one) fully paid-up equity share of ₹2 each held). Pursuant to the said approval, on June 8, 2018, GRUH allotted 365,720,011 equity shares of ₹.2 each as fully paid up bonus shares in the proportion of 1:1 to shareholders as on June 7, 2018, being the record date fixed for the purpose. In view of the above, the authorised capital of GRUH was changed to ₹200 Crores, consisting of 1,000,000,000 equity shares of ₹2 each.

Mechanism for redressal of investor grievance

The board of directors of GRUH have constituted a stakeholders' relationship committee in accordance with the Listing Regulations to look into the redressal of shareholder/investor complaints. It normally takes seven to nine days to dispose various types of investor grievances. In the past three years, GRUH has received 25 investor complaints all of which have been disposed off.

Investor grievance

As of March 31, 2018, there were no investor complaints pending against GRUH.

2. **HDFC Standard Life Insurance Company Limited ("HDFC Life")**

HDFC Life was incorporated as a public limited company on August 14, 2000 under the Companies Act, 1956 with the Registrar of Companies, Mumbai and received its certificate for commencement of business on October 12, 2000. Its CIN is L65110MH2000PLC128245.

HDFC Life is currently engaged in the business of providing life insurance.

Interest of our Promoters

As of March 31, 2018, HDFC holds 51.62% of the equity share capital of HDFC Life. Additionally, HDFC is also interested in HDFC Life to the extent of certain transactions entered into between them.

Financial Performance

Brief financial details of HDFC Life, extracted from its audited accounts for the past three financial years are as follows:

(₹ in millions except per share data)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Equity capital	20,117.4	19,984.8	19,952.9
Reserves (excluding revaluation reserve) and surplus	27,064.0	18,079.0	11,545.5
Sales*	235,644.1	194,454.8	163,129.7
Profit/(loss) after tax	11,090.0	8,921.3	8,184.0
Basic EPS (in ₹) (Face value ₹ 2 each)	5.53	4.47	4.10
Diluted EPS (in ₹) (Face value ₹ 2 each)	5.50	4.44	4.10
Net asset value per share	23.6	19.2	15.6

**Gross premium earned*

There are no significant notes of the auditors in relation to the aforementioned financial statements.

The equity shares of HDFC Life are currently listed on BSE and NSE.

HDFC Life, on November 17, 2017 completed its initial public offering of equity shares by way of an offer for sale at a price of ₹ 290 per equity share.

Share price information

The following table sets forth details of the highest and lowest price on BSE during the six months preceding the date of this Prospectus:

(in ₹)

Sr. No.	Month	Monthly High	Monthly Low
1.	January 2018	493.75	384
2.	February 2018	470.15	430.75
3.	March 2018	453.5	422.15
4.	April 2018	533.1	480.7
5.	May 2018	540.3	474.45
6.	June 2018	501.6	455.7

Source: www.bseindia.com

The following table sets forth details of the highest and lowest price on NSE during the six months preceding the date of this Prospectus:

(in ₹)

Sr. No.	Month	Monthly high	Monthly Low
1.	January 2018	494.3	384.1
2.	February 2018	477.8	417.05
3.	March 2018	464.35	416.1
4.	April 2018	546.85	456.6
5.	May 2018	548.25	470.0
6.	June 2018	507.6	454

Source: www.nseindia.com

The closing equity share price of HDFC Life as on July 27, 2018 on BSE and NSE were ₹ 508.40 and ₹ 508.40 , respectively.

The market capitalization of HDFC Life as of July 27, 2018 on BSE and NSE was ₹ 1,023,163.99 million and ₹ 1,023,163.99 million, respectively.

Except for allotments of equity shares pursuant to exercise of employee stock options, there has been no change in the capital structure of HDFC Life in the last six months preceding the date of filing of this Prospectus.

Mechanism for redressal of investor grievance

The board of directors of HDFC Life have constituted a stakeholders' relationship committee in accordance with the Listing Regulations to look into the redressal of shareholder/investor complaints. It normally takes five working days to 20 working days to dispose various types of investor grievances. In the past three years, HDFC Life has received 1,436 investor complaints of which 1,436 have been disposed off.

Investor grievance

As of June 30, 2018, there were two pending investor complaints with respect to HDFC Life.

3. **HDFC ERGO General Insurance Company Limited**

Corporate information

HDFC ERGO General Insurance Company Limited was incorporated as a public limited company on December 27, 2007 under the Companies Act, 1956 with the Registrar of Companies, Mumbai under the name of L&T General Insurance Company Limited and it received its certificate for commencement of business on January 9, 2008. Its CIN is U66030MH2007PLC177117. The name of the company was changed from L&T General Insurance Company Limited to HDFC General Insurance Limited on September 14, 2016. Further, subsequent to the merger of HDFC ERGO General Insurance Company Limited in HDFC General Insurance Limited, its name stands as HDFC ERGO General Insurance Company Limited as on August 14, 2017.

HDFC ERGO General Insurance Company Limited is currently engaged in the business of providing general insurance in India including health insurance.

Interest of our Promoters

HDFC holds 50.45% of the equity share capital of HDFC ERGO General Insurance Company Limited. Additionally, HDFC is also interested in HDFC ERGO General Insurance Company Limited to the extent of certain transactions entered into between them.

Financial Performance

Brief financial details of HDFC ERGO General Insurance Company Limited, extracted from its audited accounts for the past three financial years are as follows:

(₹ in millions except per share data)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Equity capital	6,050.72	6,004.66	7,050
Reserves (excluding revaluation reserve)	11,560.40	8,843.73	(5,630.14)
Sales	74,011.12	22,524.05	4,825.61
Profit/(loss) after tax	4,037.06	1,244.09	(1,020.16)
Basic EPS (in ₹) (Face value ₹ 10 each)	6.70	2.07	(1.59)
Diluted EPS (in ₹) (Face value ₹ 10 each)	6.68	2.06	(1.59)
Net asset value per share	29.11	24.73	2.01

There are no significant notes of the auditors in relation to the aforementioned financial statements.

4. **HDFC Credila Financial Services Private Limited**

Corporate details

HDFC Credila Financial Services Private Limited was incorporated as a private limited company on February 1, 2006 under the Companies Act 1956 with the Registrar of Companies, Mumbai. Its CIN is U67190MH2006PTC159411. The name of the company was changed from Credila Financial Services Private Limited to HDFC Credila Financial Services Private Limited on February 19, 2017.

HDFC Credila Financial Services Private Limited is currently engaged in the business of providing education loans to students.

Interest of our Promoters

HDFC holds 90.4% of the equity share capital (on a fully diluted basis) of HDFC Credila Financial Services Private Limited as on June 12, 2018. Additionally, HDFC is also interested in HDFC Credila Financial Services Private Limited to the extent of certain transactions entered into between them.

Financial Performance

Brief financial details of HDFC Credila Financial Services Private Limited, extracted from its audited accounts for the past three financial years are as follows:

(₹ in millions except per share data)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Equity capital	645.26	607.42	537.42
Reserves (excluding revaluation reserves)	3,239.14	1,915.18	789.39
Sales	4,885.78	3,918.07	3,005.45
Profit/(loss) after tax	870.72	654.75	450.64
Basic EPS (in ₹) (Face value ₹ 10 each)	14.11	11.89	8.38
Diluted EPS (in ₹) (Face value ₹ 10 each)	7.46	5.95	4.14
Net asset value per share	70.58	52.56	37.16

There are no significant notes of the auditors in relation to the aforementioned financial statements.

5. **HDFC Sales Private Limited**

Corporate details

HDFC Sales Private Limited was incorporated as a private limited company on January 23, 2004 under the Companies Act, 1956 with the Registrar of Companies, Mumbai. Its CIN is U65920MH2004PTC144182. The name of the company was changed from Home Loan Services India Private Limited to HDFC Sales Private Limited on March 25, 2008.

HDFC Sales Private Limited is currently engaged in the business of sourcing, marketing, promoting, publicizing, selling and distributing housing loans products to customers, for various clients from time to time including financial institutions, banks and other companies and also carries on the business of soliciting, procuring, distributing and marketing the insurance products to public .

Interest of our Promoters

HDFC, jointly with its nominee, holds 100% of the equity share capital of HDFC Sales Private Limited. Additionally, HDFC is also interested in HDFC Sales Private Limited to the extent of certain transactions entered into between them.

Financial Performance

HDFC Sales Private Limited was a loss making entity in the previous fiscal year. The brief financial details extracted from the audited accounts for the past three financial years:

(₹ in millions except per share data)

Particulars	Fiscal 2018	Fiscal 2017	Fiscal 2016
Equity capital	400.00	40.10	40.10
Reserves (excluding revaluation reserves)	(170.08)	(85.05)	(77.42)
Sales	3,517.53	2,618.53	2,056.27
Profit/(Loss) after tax	(85.03)	(7.63)	(168.99)
Earnings per share (basic) (in ₹) (Face value ₹ 10 each)	(5.13)	(1.90)	(42.14)
Earnings per share (diluted) (in ₹) (Face value ₹ 10 each)	(5.13)	(1.90)	(42.14)
Net asset value per share	5.75	(11.21)	(9.31)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Other Group Companies

1. **Griha Investments**

Corporate details

Griha Investments is a company incorporated as a private company with liability limited by shares in Mauritius under the Companies Act 2001 on March 27, 2006 and holds a Category 1 Global Business Company License dated June 29, 2009 issued by the Financial Services Commission. Griha Investments is also authorised by the Financial Services Commission under Section 98 of the Securities Act 2005 to operate as a CIS Manager.

Griha Investments currently acts as an investment manager to HIREF International LLC and its subsidiaries in Mauritius.

Additionally, Griha Investments incurred a loss in the previous fiscal year. For further details, please see "*Loss making Group Companies*" below.

Interest of our Promoters

HDFC Holdings Limited, a wholly owned subsidiary of HDFC, holds 100% of the equity share capital of Griha Investments.

2. **Griha Pte Limited**

Corporate details

Griha Pte Limited was incorporated as a private limited company on June 6, 2012 in Singapore. Its CIN is 201214099G.

Griha Pte Limited is currently engaged in the business of investment management.

Interest of our Promoters

HDFC Investments Limited, a wholly owned subsidiary of HDFC, holds 100% of the equity share capital of Griha Pte Limited.

3. **HDFC Capital Advisors Limited**

Corporate details

HDFC Capital Advisors Limited was incorporated as a public limited company on May 5, 2015 under the Companies Act, 2013 with the Registrar of Companies, Mumbai. Its CIN is U74999MH2015PLC264030.

HDFC Capital Advisors Limited is currently engaged in the business of investment management.

Interest of our Promoters

HDFC, jointly with its nominees, holds 100% of the equity share capital of HDFC Capital Advisors Limited.

4. **HDFC Education and Development Services Private Limited**

Corporate details

HDFC Education and Development Services Private Limited was incorporated as a private limited company on November 17, 2011 under the Companies Act, 1956 with the Registrar of Companies, Mumbai. Its CIN is U80301MH2011PTC224035.

HDFC Education and Development Services Private Limited is currently engaged in the business of providing educational services.

Additionally, HDFC Education and Development Services Private Limited incurred a loss in the previous fiscal year. For further details, please see "*Loss making Group Companies*" below.

Interest of our Promoters

HDFC, jointly with its nominees, holds 100% of the equity share capital of HDFC Education and Development Services Private Limited. Additionally, HDFC is also interested in HDFC Education and Development Services Private Limited to the extent of certain transactions entered into between them.

5. **HDFC Holdings Limited**

Corporate details

HDFC Holdings Limited was incorporated as a public limited company on January 17, 2000 under the Companies Act, 1956 with the Registrar of Companies, Mumbai and received its certificate for commencement of business on February 7, 2000. Its CIN is U65993MH2000PLC123680.

HDFC Holdings Limited is currently engaged in the business of investment in stocks, debentures and other securities.

Interest of our Promoters

HDFC, jointly with its nominees, holds 100% of the equity share capital of HDFC Holdings Limited. Additionally, HDFC is also interested in HDFC Holdings Limited to the extent of certain transactions entered into between them.

6. **HDFC International Life and Re Company Limited ("HDFC International")**

Corporate details

HDFC International was incorporated in the Dubai International Financial Centre ("**DIFC**") as a company limited by shares on January 10, 2016 under the Companies Law, DIFC Law No. 2 of 2009 with the DIFC Registrar of Companies under registered number 2067.

HDFC International carries on the business of life reinsurance business in the UAE and provides risk-transfer solutions, prudent underwriting solutions and value added services, among others, across individual life, group life and group credit life lines of business and currently offers reinsurance capacity in the Gulf Cooperation Council region.

Additionally, HDFC International incurred a loss in the previous fiscal year. For further details, please see "*Loss making Group Companies*" below.

Interest of our Promoters

HDFC holds 51.62% of the equity share capital of HDFC Standard Life Insurance Company Limited, which holds 100% of the equity share capital of HDFC International.

7. **HDFC Investments Limited**

Corporate details

HDFC Investments Limited was incorporated as a public limited company on December 20, 1994 under the Companies Act, 1956 with the Registrar of Companies, Mumbai and received its certificate for commencement of business on June 14, 1995. Its CIN is U65990MH1994PLC083933.

HDFC Investments Limited is currently engaged in the business of investments in stocks, debentures and other securities.

Interest of our Promoters

HDFC, jointly with its nominees, holds 100% of the equity share capital of HDFC Investments Limited. Additionally, HDFC is also interested in HDFC Investments Limited to the extent of certain transactions entered into between them.

8. **HDFC Pension Management Company Limited ("HDFC Pension")**

Corporate details

HDFC Pension, was incorporated on June 12, 2011 as a public limited company under the Companies Act, 1956. The name of the HDFC Pension was changed to HDFC Pension Management Company Limited on March 26, 2013. It received a certificate of commencement of business dated May 3, 2012. Its corporate identification number is U66020MH2011PLC218824.

HDFC Pension acts as a fund manager, pension fund manager, pension fund advisor, retirement advisor, providing financial, management, operations and advisory services and facilities of every description, rendering and offering consultancy services to banks, institutions, corporate bodies, government or any other person for setting up a pension fund and to carry on fund management activities.

Additionally, HDFC Pension incurred a loss in the previous fiscal year. For further details, please see "*Loss making Group Companies*" below.

Interest of our Promoters

HDFC holds 51.62% of the equity share capital of HDFC Standard Life Insurance Company Limited, which along with its nominees holds 100% of the equity share capital of HDFC Pension.

9. **HDFC Property Ventures Limited**

Corporate details

HDFC Property Ventures Limited was incorporated as a public limited company on November 14, 2006 under the Companies Act, 1956 with the Registrar of Companies, Mumbai and received its certificate for commencement of business on December 20, 2006. Its CIN is U74140MH2006PLC165539.

HDFC Property Ventures Limited is currently engaged in the business of providing advisory services.

Interest of our Promoters

HDFC, jointly with its nominees, holds 100% of the equity share capital of HDFC Property Ventures Limited. Additionally, HDFC is also interested in HDFC Property Ventures Limited to the extent of certain transactions entered into between them.

10. **HDFC Trustee Company Limited**

Corporate details

HDFC Trustee Company Limited was incorporated as a public limited company on December 10, 1999 under Companies Act, 1956 with the Registrar of Companies, Mumbai and received its certificate for commencement of business on March 9, 2000. Its CIN is U65991MH1999PLC123026.

HDFC Trustee Company Limited is currently engaged in the business of acting as a trustee to HDFC Mutual Fund and ensures the compliance of transactions entered into by HDFC Asset Management Company Limited with the SEBI (Mutual Funds) Regulations and reviews the activities carried on by HDFC Asset Management Company Limited.

Interest of our Promoters

As on date, HDFC, jointly with its nominees, holds 100% of the equity share capital of HDFC Trustee Company Limited.

11. **HDFC Venture Capital Limited**

Corporate details

HDFC Venture Capital Limited was incorporated as a public limited company on October, 29, 2004 under the Companies Act, 1956 with the Registrar of Companies, Mumbai and received its certificate for commencement of business on November 29, 2004. Its CIN is U65991MH2004PLC149330.

HDFC Venture Capital Limited is currently engaged in the business of providing investment management services.

Additionally, HDFC Venture Capital Limited incurred a loss in the previous fiscal year. For further details, please see "*Loss making Group Companies*" below.

Interest of our Promoters

HDFC, jointly with its nominees, holds 80.50% of the equity share capital of HDFC Venture Capital Limited. Additionally, HDFC is also interested in HDFC Venture Capital Limited to the extent of certain transactions entered into between them.

12. **HDFC Ventures Trustee Company Limited**

Corporate details

HDFC Ventures Trustee Company Limited was incorporated as a public limited company on October 29, 2004 under the Companies Act 1956 with the Registrar of Companies, Mumbai and received its certificate for commencement of business on November 29, 2004. Its CIN is U65991MH2004PLC149329.

HDFC Ventures Trustee Company Limited is currently engaged in the business of providing trusteeship services.

Interest of our Promoters

HDFC, jointly with its nominees, holds 100% of the equity share capital of HDFC Ventures Trustee Company Limited. Additionally, HDFC is also interested in HDFC Ventures Trustee Company Limited to the extent of certain transactions entered into between them.

Nature and extent of interest of our Group Companies

(a) Interest in our Company

Except as stated above in "*Interest of our Promoters*" and below, none of our Group Companies have any interest in the promotion of our Company or any other interests, including any business interests, in our Company

Our Group Companies are interested in our Company to the extent of related party transactions between the respective Group Companies and our Company. For details, please see "*Related Party Transactions*" on page 260 of this Prospectus.

(b) Interest in the properties acquired by our Company

None of our Group Companies have any interest in any property acquired by our Company within two years from the date of the Draft Red Herring Prospectus and until the date of this Prospectus or proposed to be acquired by our Company as of the date of this Prospectus.

(c) Interest in transactions for acquisition of land, construction of building and supply of machinery

None of our Group Companies have any interest in the transactions for acquisition of land, construction of building and supply of machinery.

Common pursuits between our Company and its Group Companies

Except for HDFC Sales Private Limited, HDFC Pension Management Company Limited and Standard Life Investments, none of our Group Companies have any common pursuits with our Company.

Related business transactions within the Group Companies and significance on the financial performance of our Company

Except as disclosed in "*Related Party Transactions*" on page 260 of this Prospectus, there are no related business transactions of our Company with its Group Companies and significance of the same on the financial performance of our Company.

Sale/Purchase between our Company and its Group Companies

There are no transactions between our Company and its Group Companies, which exceed 10% of the total sales or purchases of our Company.

Loss making Group Companies

The following Group Companies incurred a loss in the immediately preceding financial year:

Sr. No.	Name of the entity	Profit/(Loss) (Amount in ₹ million)		
		Fiscal 2018	Fiscal 2017	Fiscal 2016
1.	Griha Investments*	(1,186,179)	(186,000)	5,840,099
2.	HDFC Pension	(1.2)	(3.1)	0.1
3.	HDFC International# *	(260,599)	(973,027)	-
4.	HDFC Education and Development Services Private Limited	(48.82)	(17.87)	(10.77)
5.	HDFC Sales Private Limited	(85.03)	(7.63)	(168.998)
6.	HDFC Venture Capital Limited	(21.45)	(18.09)	(31.66)

 # HDFC International was incorporated on January 10, 2016
**(Amount in USD)*

For further details, please see "*Risk Factors- Certain of our Group Companies have incurred losses in the preceding fiscal year and may incur losses in the future.*" on page 42 of this Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Fiscals, as per the requirements under Accounting Standard 18 "Related Party Disclosures", please see "Financial Statements – Annexure XXIV" on page 296 *of this Prospectus, respectively*.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board, at its discretion, and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act and Listing Regulations. In addition, declaration and payment of dividends would be subject to our Company's dividend policy, adopted by our Board on March 8, 2018 ("**Dividend policy**").

In terms of the Dividend Policy, while declaring / recommending dividend, the Board shall ensure that an appropriate balance is maintained between adequately rewarding the Shareholders and ensuring that adequate financial resources are available to fuel the growth aspirations of the Company.

Further, declaration and payment of dividend, if any, will depend on a number of factors, including profits earned during the year, accumulated reserves, expected future capital/liquidity requirements, brands or business acquisitions, shareholder expectations, taxations provisions, Government policies and other factors, as may be considered relevant by the Board. The Board may also pay interim dividend.

The dividends declared by our Company on the Equity Shares during the last five Fiscals have been presented below:

Particulars	**For the year ended March 31,**				
	2018	**2017**	**2016**	**2015**	**2014**
Number of Equity Shares at the time of declaration of dividend	210,555,200	25,166,900	25,164,200	25,240,800	25,240,800
Face value per share (in ₹ per share)	5	10	10	10	10
Interim dividend rate (in ₹ per share)	16	92	80	65	50
Interim dividend rate (%)	320	920	800	650	500
Interim dividend (in ₹ million)	3,368.88	2,315.35	2,013.14	1,640.65	1,262.04
Dividend distribution tax (in ₹ million)	685.83	471.35	409.83	328.03	214.48
Total dividend, including dividend distribution tax (in ₹ million)	4,054.71	2,786.70	2,422.97	1,968.68	1,476.52

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. Further, as per our Dividend Policy, our Company may not distribute dividend or may distribute a reduced quantum of dividend in the event of absence or inadequacy of profits, or if any of the criteria for recommendation of dividend is not met, including any regulatory restriction placed on our Company on declaration of dividend, or if our Board is of the opinion that it would be prudent to conserve capital for growth or other exigencies.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

The Board of Directors
HDFC Asset Management Company Limited
HDFC House, 2nd Floor
H.T. Parekh Marg
165-166, Backbay Reclamation
Churchgate
Mumbai 400 020
INDIA

Auditor's Report on Restated Standalone Summary Financial Information in connection with the Initial Public Offering of HDFC Asset Management Company Limited (the "Company")

Dear Sirs / Madam

1. We have examined the attached Restated Standalone Summary Financial Information of the Company, which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the Summary of Significant Accounting Policies, read together with the annexures and notes thereto and Other Restated Standalone Financial Information explained in paragraph 7 below (collectively, the "Restated Standalone Summary Financial Information"), for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer (the "IPO") of equity shares of the Company by way of offer for sale by certain existing shareholders of the Company. The Restated Standalone Summary Financial Information has been approved by the Board of Directors of the Company on 15 June 2018 and is prepared in terms of the requirements of:

   a) sub-clauses (i) (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Companies Act") read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules");

   b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (the "SEBI ICDR Regulations").

2. The preparation of the Restated Standalone Summary Financial Information is the responsibility of the Company's Management for the purpose set out in paragraph 12 below. Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Summary Financial Information. Management is also responsible for identifying and ensuring that the Company complies with the Companies Act, the Rules and the SEBI ICDR Regulations.

3. We have examined such Restated Standalone Summary 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 21 December 2017 in connection with the IPO of equity shares of the Company; and

b) The Guidance Note on Reports in Company's Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "ICAI") as amended from time to time (the "Guidance Note").

4. These Restated Standalone Summary Financial Information have been compiled by the management as follows :

   a) As at and for the year ended 31 March 2018: From the audited standalone financial statements as at and for the year ended 31 March 2018 which have been approved by the Board of Directors at its meetings held on 16 April 2018;

   b) As at and for the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014: From the audited standalone financial statements as at and for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 which have been approved by Board of Directors at their meetings held on 28 April 2017, 19 April 2016, 21 April 2015 and 16 April 2014 respectively.

5. The audit of the standalone financial statements of the Company for the financial years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 were conducted and reported upon by the previous auditors Haribhakti & Co. LLP, Chartered Accountants, and accordingly reliance has been placed on the Restated Standalone Summary Financial Information examined by them for the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014. The financial report included for these years, i.e. years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 are based solely on the report dated 15 June 2018 submitted by Haribhakti & Co. LLP, Chartered Accountants. Haribhakti & Co. LLP, Chartered Accountants, have also confirmed that the Restated Standalone Summary Financial Information:

   a) has been made after incorporating adjustments for change in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

   b) has been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

   c) do not contain any extra ordinary items that need to be disclosed separately other than those presented in the Restated Standalone Summary Financial Information in the respective financial years and do not contain any qualification requiring adjustments.

6. Based on our examination and in accordance with the requirements of sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act read with, Rules 4 to 6 of the Rules, the SEBI ICDR Regulations, the Guidance Note and the terms of our engagement agreed with you, we report that:

   a) The Restated Standalone Summary Statement of Assets and Liabilities of the Company as at 31 March 2018 examined by us and as at 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined and reported upon by previous auditors Haribhakti & Co. LLP, Chartered Accountants, and accordingly reliance has been placed on the Restated Standalone Summary Financial Information examined by them as set out in Annexure I of Restated Standalone Summary Financial Information to this report, has been arrived at after making adjustments and regrouping / reclassifications as in our opinion were appropriate and more fully described in Note 20 and 21 of Annexure - XXIV of Restated Standalone Summary Financial Information.

b) The Restated Standalone Summary Statement of Profit and Loss of the Company for the year ended 31 March 2018 examined by us, and for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined and reported upon by previous auditors Haribhakti & Co. LLP, Chartered Accountants, and accordingly reliance has been placed on the Restated Standalone Summary Financial Information examined by them as set out in Annexure - II of Restated Standalone Summary Financial Information to this report, has been arrived at after making adjustments and regrouping / reclassification as in our opinion were appropriate and more fully described in Note 20 and 21 of Annexure - XXIV of Restated Standalone Summary Financial Information.

c) The Restated Standalone Summary Statement of Cash Flows of the Company for the year ended 31 March 2018 examined by us and for each of the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined and reported upon by previous auditor Haribhakti & Co. LLP, Chartered Accountants, and accordingly reliance has been placed on the Restated Standalone Summary Financial Information examined by them as set out in Annexure – III of Restated Standalone Summary Financial Information to this report, has been arrived at after making adjustments and regrouping / reclassification as in our opinion were appropriate and more fully described in Note 20 and 21 of Annexure - XXIV of Restated Standalone Summary Financial Information.

d) Based on the 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 Haribhakti & Co. LLP, Chartered Accountants, for the respective years, we further report that the Restated Standalone Summary Financial Information:

   (i) has been made after incorporating adjustments for the changes in accounting policies retrospectively in respective years to reflect the same accounting treatment as per changed accounting policy for all the reporting years;

   (ii) has been made after incorporating adjustments for the material amounts in the respective years to which they relate; and

   (iii) do not contain any extra-ordinary items that need to be disclosed separately, other than those presented in the Restated Standalone Summary Financial Information in respective financial years and do not contain any qualification requiring adjustments.

7. We have also examined the following other Restated Standalone Summary Financial Information of the Company set out in the Annexures prepared by the management and approved by the Board of Directors on 15 June 2018 for the year ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014:

Annexure - IV : Summary of significant accounting policies and other explanatory information forming part of the restated standalone financial statements

Annexure - V : Restated standalone summary statement of share capital

Annexure - VI : Restated standalone summary statement of reserves and surplus

Annexure - VII : Restated standalone summary statement of long - term provisions

Annexure - VIII : Restated standalone summary statement of trade payables

Annexure - IX : Restated standalone summary statement of other current liabilities

Annexure - X : Restated standalone summary statement of short - term provisions

Annexure - XI : Restated standalone summary statement of property plant and equipment and intangible assets

Annexure - XII : Restated standalone summary statement of non - current investments

Annexure - XIII : Restated standalone summary statement of deferred tax assets

Annexure - XIV : Restated standalone summary statement of long - term loans and advances

Annexure - XV : Restated standalone summary statement of current investments

Annexure - XVI : Restated standalone summary statement of trade receivables

Annexure - XVII : Restated standalone summary statement of cash and bank balance

Annexure - XVIII : Restated standalone summary statement of short - term loans and advances

Annexure - XIX : Restated standalone summary statement of other current assets

Annexure - XX : Restated standalone summary statement of revenue from operations

Annexure - XXI : Restated standalone summary statement of other income

Annexure - XXII : Restated standalone summary statement of employee benefits expense

Annexure - XXIII : Restated standalone summary statement of other expenses

Annexure - XXIV : Notes forming part of the restated standalone financial statements

Annexure - XXV : Restated standalone summary statement of dividend declared and paid

Annexure - XXVI : Restated standalone summary statement of capitalisation

Annexure - XXVII : Restated standalone summary statement of accounting ratios

Annexure - XXVIII : Restated standalone summary statement of tax shelter

According to the information and explanations given to us and also as per the reliance placed on the reports submitted by the previous auditors Haribhakti & Co. LLP, Chartered Accountants, in our opinion, the Restated Standalone Summary Financial Information including other restated financial information contained in Annexures IV to XXVIII of Restated Standalone Summary Financial Information accompanying this report, have been prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act read with Rules 4 to 6 of the Rules and the SEBI ICDR Regulations.

8. We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to 31 March 2018. Accordingly, we express no opinion on the financial position, profit and loss or cash flow of the Company as of any date or for any period subsequent to 31 March 2018.

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

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report 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.

12. Our report is intended solely for use of the management for inclusion in the Red Herring Prospectus and the Prospectus, to be filed / registered with Securities and Exchange Board of India, stock exchanges where the equity shares are proposed to be listed and the relevant Registrar of Companies in India, in connection with the IPO of equity shares of the Company by way of offer for sale by certain existing shareholders of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Akeel Master
Partner
Membership No: 046768

Mumbai
15 June 2018

HDFC ASSET MANAGEMENT COMPANY LIMITED
ANNEXURE I-RESTATED STANDALONE SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(₹ in Millions except share data and unless otherwise stated)

Particulars	Annexure	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES						
SHAREHOLDERS' FUNDS						
Share Capital	V	1,052.78	251.67	251.64	252.41	252.41
Reserves and Surplus	VI	20,546.90	13,977.74	11,260.58	10,946.49	8,760.17
NON-CURRENT LIABILITIES						
Long-Term Provisions	VII	7.78	8.04	150.00	150.00	150.00
CURRENT LIABILITIES						
Trade Payables-Outstanding dues of Small Enterprises and Micro Enterprises	VIII	-	-	-	-	-
Trade Payables-Outstanding dues of creditors other than Small Enterprises and Micro Enterprises	VIII	1,115.76	960.62	1,719.79	950.93	1,477.22
Other Current Liabilities	IX	981.86	796.87	845.16	817.67	573.56
Short-Term Provisions	X	1.12	0.96	-	-	-
		2,098.74	**1,758.45**	**2,564.95**	**1,768.60**	**2,050.78**
TOTAL		**23,706.20**	**15,995.90**	**14,227.17**	**13,117.50**	**11,213.36**
ASSETS						
NON-CURRENT ASSETS						
Fixed Assets						
-Property, Plant and Equipment	XI	245.84	226.34	227.69	243.80	262.58
-Intangible Assets	XI	82.08	85.46	83.92	94.15	15.38
-Intangible Assets Under Development		59.63	24.19	10.97	0.98	2.04
		387.55	**335.99**	**322.58**	**338.93**	**280.00**
Non-Current Investments	XII	6,395.42	1,687.97	1,598.58	1,616.80	1,303.88
Deferred Tax Assets (net)	XIII	97.32	93.53	138.90	132.80	128.11
Long-Term Loans and Advances	XIV	616.67	690.16	973.81	1,751.97	1,198.01
		7,496.96	**2,807.65**	**3,033.87**	**3,840.50**	**2,910.00**
CURRENT ASSETS						
Current Investments	XV	13,110.18	10,678.58	8,259.27	4,888.39	6,061.83
Trade Receivables	XVI	902.79	850.91	385.70	165.75	154.80
Cash and Bank Balances	XVII	20.67	12.74	9.80	25.67	10.36
Short-Term Loans and Advances	XVIII	2,054.68	1,627.51	1,721.35	2,487.48	1,063.32
Other Current Assets	XIX	120.92	18.51	817.18	1,709.71	1,013.05
		16,209.24	**13,188.25**	**11,193.30**	**9,277.00**	**8,303.36**
TOTAL		**23,706.20**	**15,995.90**	**14,227.17**	**13,117.50**	**11,213.36**

See summary of significant accounting policies (Annexure IV) and accompanying restated notes to accounts (Annexure V to Annexure XXIV) which form an integral part of these restated financial statements

As per our report attached of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Milind Barve
Managing Director
(DIN: 00087839)

Hoshang S. Billimoria
Director
(DIN: 00005003)

Akeel Master
Partner
Membership No: 046768

Piyush Surana
Chief Financial Officer

Sylvia Furtado
Company Secretary
(ACS: 17976)

Mumbai, June 15, 2018

HDFC ASSET MANAGEMENT COMPANY LIMITED
ANNEXURE II-RESTATED STANDALONE SUMMARY STATEMENT OF PROFIT AND LOSS

(₹ in Millions except share data and unless otherwise stated)

Particulars	Annexure	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
REVENUE						
Revenue from Operations	XX	17,597.51	14,800.35	14,425.45	10,224.38	8,585.47
Other Income	XXI	1,074.95	1,078.75	517.97	418.38	445.67
TOTAL REVENUE		**18,672.46**	**15,879.10**	**14,943.42**	**10,642.76**	**9,031.14**
EXPENSES						
Employee Benefits Expense	XXII	1,749.48	1,575.51	1,431.87	1,275.07	1,115.52
Depreciation and Amortization Expense	XI	114.40	119.64	110.60	101.39	84.45
Other Expenses	XXIII	6,183.43	6,185.94	6,318.45	3,040.34	2,606.66
TOTAL EXPENSES		**8,047.31**	**7,881.09**	**7,860.92**	**4,416.80**	**3,806.63**
PROFIT BEFORE TAX		10,625.15	7,998.01	7,082.50	6,225.96	5,224.51
Tax Expense:						
Current Tax		3,412.78	2,450.18	2,309.80	2,075.66	1,646.88
Deferred Tax		(3.79)	45.37	(6.10)	(4.70)	(0.07)
PROFIT AFTER TAX		**7,216.16**	**5,502.46**	**4,778.80**	**4,155.00**	**3,577.70**
Earnings Per Equity Share (Face Value ₹ 5) (see note 5 of annexure XXIV)						
- Basic		35.02	27.33	23.64	20.58	17.71
- Diluted		34.96	27.05	23.56	20.31	17.60

See summary of significant accounting policies (Annexure IV) and accompanying restated notes to accounts (Annexure V to Annexure XXIV) which form an integral part of these restated financial statements

As per our report attached of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
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Managing Director
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Akeel Master
Partner
Membership No: 046768

Piyush Surana
Chief Financial Officer

Sylvia Furtado
Company Secretary
(ACS: 17976)

Mumbai, June 15, 2018

HDFC ASSET MANAGEMENT COMPANY LIMITED
ANNEXURE III-RESTATED STANDALONE SUMMARY STATEMENT OF CASH FLOWS

(₹ in Millions except share data and unless otherwise stated)

	Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
A.	**CASH FLOW FROM OPERATING ACTIVITIES**					
	Profit before tax and extraordinary items as per Restated Standalone Summary Statement of Profit and Loss*	**10,625.15**	**7,998.01**	**7,082.50**	**6,225.96**	**5,224.51**
	Add / (Less) : Adjustment for					
	Depreciation and Amortization	114.40	119.64	110.60	101.39	84.45
	Provision for / (Reversal of) Diminution in the Value of Current Investments	-	(0.87)	0.87	-	-
	Provision for / (Reversal of) Diminution in the Value of Non Current Investments	-	-	-	-	(3.80)
	Utilisation / Reversal of Provision for Contingencies	-	(150.00)	-	-	-
	(Profit) / Loss on Sale of Investments (net)	(727.22)	(664.55)	(235.89)	(154.94)	(274.89)
	(Profit) / Loss on Sale of Fixed Assets (net)	(1.26)	(0.50)	(1.26)	(2.01)	(0.03)
	Investment Income	(345.22)	(217.10)	(239.93)	(176.85)	(114.76)
	Provision for Wealth Tax	-	-	-	0.62	0.60
	Operating Profit before working capital changes	**9,665.85**	**7,084.63**	**6,716.89**	**5,994.17**	**4,916.08**
	(Increase) / Decrease in Current and Non Current Loans and Advances	(381.01)	507.58	1,587.86	(1,935.22)	(1,124.42)
	(Increase) / Decrease in Other Current and Non Current Assets	(0.02)	798.61	892.52	(697.11)	(994.25)
	(Increase) / Decrease in Trade Receivables	(51.87)	(465.20)	(219.96)	(10.95)	37.44
	Increase / (Decrease) in Current and Non Current Liabilities	339.98	(798.43)	796.38	(282.21)	926.36
	Cash generated from operations	**9,572.93**	**7,127.19**	**9,773.69**	**3,068.68**	**3,761.21**
	Income Tax Paid	(3,371.50)	(2,578.62)	(2,353.47)	(2,120.44)	(1,666.49)
	Net cash from operating activities	**6,201.43**	**4,548.57**	**7,420.22**	**948.24**	**2,094.72**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**					
	Purchase of Fixed Assets	(179.92)	(135.60)	(94.14)	(159.60)	(173.30)
	Proceeds from Sale of Fixed Assets	1.27	1.38	1.26	2.60	1.84
	Purchase of Investments	(42,025.58)	(27,324.43)	(38,628.52)	(21,331.41)	(16,387.52)
	Proceeds from Sale of Investments	35,876.56	25,596.56	35,621.35	22,413.78	15,982.61
	Dividend Received	31.46	66.71	94.33	74.68	49.09
	Interest Received / (Paid)	(51.42)	35.04	35.04	35.64	19.27
	Net cash from / (used in) investing activities	**(6,347.63)**	**(1,760.34)**	**(2,970.68)**	**1,035.69**	**(508.01)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**					
	Proceeds from Issuance of Share Capital	4,234.80	1.42	1,431.62	-	292.44
	Buy Back of Equity Shares	-	-	(3,097.62)	-	(351.34)
	Tax on Shares Bought Back	-	-	(376.52)	-	(42.01)
	Social / philanthropic causes & investor centric initiatives	(25.98)	-	-	-	(7.67)
	Interim Equity Dividend Paid	(3,368.88)	(2,315.35)	(2,013.14)	(1,640.65)	(1,262.04)
	Tax Paid on Interim Equity Dividend	(685.83)	(471.35)	(409.83)	(328.03)	(214.48)
	Net cash from / (used in) financing activities	**154.11**	**(2,785.28)**	**(4,465.49)**	**(1,968.68)**	**(1,585.10)**
	Net Increase / (Decrease) in cash and cash equivalents	**7.91**	**2.95**	**(15.95)**	**15.25**	**1.61**
	Cash and cash equivalents at the beginning of the Year (see annexure XVII)	**11.63**	**8.68**	**24.63**	**9.38**	**7.77**
	Cash and cash equivalents at the end of the Year (see annexure XVII)	**19.54**	**11.63**	**8.68**	**24.63**	**9.38**
		7.91	**2.95**	**(15.95)**	**15.25**	**1.61**
	*Amount spent towards Corporate Social Responsibility expenses as per Section 135(5) of the Companies Act, 2013 **(see note 13 of annexure XXIV)**	143.88	123.34	90.20	73.94	-

As per our report attached of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W/W-100022

Milind Barve
Managing Director
(DIN: 00087839)

Hoshang S. Billimoria
Director
(DIN: 00005003)

Akeel Master
Partner
Membership No: 046768

Piyush Surana
Chief Financial Officer

Sylvia Furtado
Company Secretary
(ACS: 17976)

Mumbai, June 15, 2018

HDFC ASSET MANAGEMENT COMPANY LIMITED
Annexure IV

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (NOTES) FORMING PART OF THE RESTATED STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018, YEAR ENDED MARCH 31, 2017, YEAR ENDED MARCH 31, 2016, YEAR ENDED MARCH 31, 2015 AND YEAR ENDED MARCH 31, 2014

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) COMPANY OVERVIEW

HDFC Asset Management Company Limited ('the Company') was incorporated under the Companies Act, 1956 on December 10, 1999 and was approved to act as an Asset Management Company for the HDFC Mutual Fund by Securities and Exchange Board of India (SEBI) vide its letter dated July 3, 2000. In terms of the Investment Management Agreement, HDFC Trustee Company Limited ('the Trustee') has appointed the Company to manage the Mutual Fund.

The Company is also registered under the SEBI (Portfolio Managers) Regulations, 1993 and provides Portfolio Management Services.

B) SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation

The Restated Standalone Summary Statement of Assets and Liabilities of the Company as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and the related Restated Standalone Summary Statement of Profit and Loss and Restated Standalone Summary Statement of Cash Flows for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 and annexures thereto (herein collectively referred to as '**Restated Standalone Summary Financial Information**') have been compiled by the management from the respective Audited Standalone Financial Statements of the Company for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 which, were originally approved by the Board of Directors of the Company at that relevant time.

The Audited Standalone Financial Statements of the Company for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 were prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies Act, 1956 and the requirements of the Companies Act, 1956 (up to 31 March 2014), and notified Sections, Schedules and Rules of the Companies Act, 2013 (with effect from 01 April 2014) ("the Act"), including the Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable. These Standalone Financial Statements were prepared using the historical cost convention on an accrual basis. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Restated Standalone Summary Financial Information have been prepared specifically for the inclusion in the offer document to be filed / registered by the Company with SEBI, the stock exchanges where the Equity Shares of the Company are proposed to be listed (the 'Stock Exchanges') and the relevant Registrar of Companies in India (the 'ROC') in connection with the proposed initial public offering of the Company.

The Restated Standalone Summary Financial Information has been prepared to comply in all material respects with the requirements of sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on 26 August, 2009 as amended from time to time ("the SEBI ICDR Regulations") Further, the Restated Standalone Summary Financial Information has been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013.

The Restated Standalone Summary Financial Information are presented in Indian rupees (in millions), unless otherwise stated.

This Restated Standalone Summary Financial Information was reviewed and approved by the Board of Directors of the Company on 15 June, 2018.

2 Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles ('Indian GAAP') requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3 Operating Cycle

Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

4 Income Recognition

Revenue is recognized to the extent there is reasonable certainty of its ultimate realisation and it can be reliably measured.

- Investment Management fees, Portfolio Management Fees, other Advisory Fees are recognised on accrual basis.
- Dividend income is recognized when the right to receive the same is established.
- Interest income (net of amortized premium / accreted discount, if any) is recognized on a time proportion basis.
- Gains / losses on sale of investments are recognized on the trade date. Gain / loss on sale of investments is determined on weighted average cost basis.
- Income from Investment in Venture Capital Fund (VCF) /Alternative Investment Fund (AIF) is recognised on the basis of income distribution by the respective VCF/AIF.

5 Brokerage

Upfront brokerage paid for Equity Linked Saving Schemes and Closed Ended Schemes is amortised over a period of 36 months and over the tenure of the scheme respectively. Advance Trail commission is amortised over the contractual period.

Brokerage paid in advance in respect of Portfolio Management Business is amortised over the contractual period.

6 Investments

Investments are classified as Current or Long term based on intention of the management at the time of purchase of such investments. Long term investments are stated at cost of acquisition or at amortised cost, if acquired at a premium over face value. Premium over face value is amortised over the remaining period to maturity on a straight line basis. Provision for diminution is recognized for a decline, if any, which is other than temporary in the value of Long Term investments. Current investments are valued at lower of cost and market value on an individual basis. On disposal of an investment, difference between the carrying amount and net disposal proceeds is charged / credited to the Statement of Profit and Loss.

7 Fixed Assets

Fixed assets are stated at cost less accumulated depreciation / amortization as adjusted for impairment, if any. The cost of acquisition is inclusive of taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets. Subsequent expenditure incurred on assets in use is capitalized only when it increases the future benefit / functioning capability from / of such assets.

All expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts are charged to Statement of Profit and Loss during the period in which they are incurred.

Gains or Losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is disposed.

8 Depreciation / Amortization

Depreciation on fixed assets is provided on straight-line basis as per the estimated useful life and in the manner prescribed in Schedule II of the Companies Act, 2013 except for certain assets.

A) Property, Plant & Equipment:

Following is the summary of useful lives of the assets as per management’s estimate and as required by the Companies Act, 2013 except assets individually costing less than Rupees five thousand which are fully depreciated in the year of purchase/acquisition.

Schedule II of the Companies Act, 2013 allows companies to use higher/lower useful lives if such useful lives can be technically supported.

Considering the applicability of Schedule II of the Companies Act, 2013, the management has re-estimated useful lives and of all its Property, Plant & Equipment.

Class of Fixed Asset	Useful Life (in years)	
	As per the Companies Act, 2013	As per management's estimate
Buildings*	60	50
Computer Equipment:		
- Server & Network*	6	4
- Others	3	3
Furniture & Fixtures*	10	7
Electrical Installations*	10	7
Office Equipment	5	5
Vehicles*	8	4
Improvement of Rented Premises	Not specified	Over the primary period of the lease term or 5 years, whichever is less

* Based on technical advice, management believes that the useful lives of these assets reflect the period over which they are expected to be used.

Till the year ended March 31, 2014, depreciation rates prescribed under schedule XIV of the Companies Act, 1956 were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if lower rate were justified by the estimated useful life of the assets. Accordingly, depreciation on Fixed Assets was provided on straight-line basis at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956 except for certain assets, where based on the Management's estimate of the useful lives of the assets, higher depreciation was being provided at the following rates:

Class of Fixed Asset	Rate of Depreciation (%)
Building	2.00
Computer Equipment	33.33
Furniture & Fixtures	14.29
Electrical Installations	14.29
Office Equipment	20.00
Vehicles	25.00
Improvement of Rented Premises	Over the primary period of the lease term or 5 years, whichever is less

Assets individually costing less than Rupees Five Thousand were fully depreciated in the year of purchase/acquisition.

Changes, if any, with respect to the Companies Act, 2013, were done prospectively.

B) Intangible Assets:

(i) Goodwill generated on the following transactions has been amortised equally over a period of 10 years:

(a) Amalgamation of erstwhile HDFC AMC Services Company Private Limited and HDFC AMC Mauritius Limited, with the Company.

(b) Acquisition of rights to operate, administer and manage the schemes of Morgan Stanley Mutual Fund.

(ii) Computer Software is being amortised over a period of 3 years.

9 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such estimated recoverable amount of the asset is less than the carrying amount, the carrying amount is reduced to its estimated recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

10 Cash and Cash Equivalents

Cash and cash equivalents represent cash in hand, balance with scheduled banks in current account and short term deposits with banks with an original maturity of three months or less.

11 Transactions in Foreign Currency

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Exchange differences, if any, arising out of foreign exchange transactions settled during the period are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies are translated at the balance sheet date at the closing exchange rates on that date and the resultant exchange differences, if any, are recognised in the Statement of Profit and Loss.

12 Employee Benefits

A) Defined Contribution Plan

The Company contributes to a Recognized Provident Fund for its employees. The Company's contributions are charged to the Statement of Profit and Loss.

B) Defined Benefit Plan

The Company's contribution in the case of gratuity is funded annually with a life insurance company. The Company's gratuity benefit scheme is a defined benefit plan. The net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine its present value and the fair value of plan assets, if any, is deducted from such determined present value. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

C) Other Long Term Employee Benefits

Other long term employee benefits include accumulated compensated absences that are entitled to be carried forward for future availment subject to Company's policies. The Company's liability towards accumulated compensated absences are accrued and provided for on the basis of an actuarial valuation using Projected Unit Credit Method at the end of the reporting period.

D) **Employee Stock Option Scheme ('ESOS')**

The Employee Stock Option Scheme ('the Scheme') provides for the grant of options to acquire equity shares of the Company to its employees. The period of vesting and period of exercise are as specified within the respective scheme. The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured by the excess, if any, of the fair value of the underlying equity shares over the exercise price as determined under the option plan as on the grant date. The fair value of the Company's underlying equity shares is determined in accordance with the pricing formula approved by the Nomination & Remuneration Committee. Compensation cost, if any, is amortised over the vesting period.

13 Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as Operating Leases. Operating lease rentals are recognized on accrual basis.

14 Income Tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax expense is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Income-tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is recognised when the said liabilities are accepted by the Company.

In accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22), the deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

15 Scheme Expenses

Recurring expenses of schemes of HDFC Mutual Fund borne by the Company are recognised under the respective expense heads in the Statement of Profit and Loss.

In accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, recurring scheme expenses borne by the Company in excess of the limits prescribed by SEBI are disclosed under Mutual Fund expense in the Statement of Profit and Loss. New Fund Offer (NFO) expenses on the launch of schemes are borne by the Company.

16 Earnings Per Share

In accordance with the Accounting Standard on "Earnings Per Share" (AS-20), the basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting period.

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares.

17 Provisions, Contingent Liabilities and Contingent Assets

In accordance with the Accounting Standard on "Provisions, Contingent Liabilities and Contingent Assets" (AS-29), provisions comprise liabilities of uncertain timing or amount. Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reasonable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements.

(₹ in Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
ANNEXURE V-RESTATED STANDALONE SUMMARY STATEMENT OF SHARE CAPITAL					
AUTHORISED					
600,000,000 Equity Shares of ₹ 5 each (March 31, 2017: 30,000,000, March 31, 2016: 30,000,000, March 31, 2015: 30,000,000, March 31, 2014: 30,000,000 Equity Shares of ₹ 10 each)	3,000.00	300.00	300.00	300.00	300.00
50,000,000 (March 31, 2017: 50,000,000, March 31, 2016: 50,000,000, March 31, 2015: 50,000,000, March 31, 2014: 50,000,000) Redeemable,Cumulative Non-Convertible Preference Shares of ₹ 10 each	500.00	500.00	500.00	500.00	500.00
Total	**3,500.00**	**800.00**	**800.00**	**800.00**	**800.00**
ISSUED, SUBSCRIBED AND PAID-UP					
210,555,200 Equity Shares of ₹ 5 each (March 31, 2017: 25,166,900, March 31, 2016: 25,164,200, March 31, 2015: 25,240,800, March 31, 2014: 25,240,800 Equity Shares of ₹ 10 each), fully paid up	1,052.78	251.67	251.64	252.41	252.41
Total	**1,052.78**	**251.67**	**251.64**	**252.41**	**252.41**

a) Movement in Equity Share Capital during the Year:

No. of Equity Shares

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Shares outstanding at the beginning of the Year (face of value of ₹ 10 each)	25,166,900	25,164,200	25,240,800	25,240,800	25,240,800
Add : Shares issued during the Year (face of value of ₹ 10 each)	1,152,500	2,700	708,800	-	141,500
Add : Bonus shares issued out of the Securities Premium Account as per the note below (face of value of ₹ 10 each)	78,958,200	-	-	-	-
Add : Subdivision of shares as per the note below (face of value of ₹ 5 each)	105,277,600	-	-	-	-
Less: Shares bought back during the Year	-	-	785,400	-	141,500
Shares outstanding at the end of the Year (face of value of ₹ 5 each as at March 31, 2018)	210,555,200	25,166,900	25,164,200	25,240,800	25,240,800

Amount of Share Capital

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Amount outstanding at the beginning of the Year	251.67	251.64	252.41	252.41	252.41
Add: Amount received towards shares issued during the Year (face of value ₹ of 10 each)	11.52	0.03	7.08	-	1.42
Add : Bonus shares issued out of the Securities Premium Account as per the note below	789.58	-	-	-	-
Add : Subdivision of shares as per the note below	-	-	-	-	-
Less: Amount paid towards shares bought back during the Year	-	-	7.85	-	1.42
Amount outstanding at the end of the Year	1,052.78	251.67	251.64	252.41	252.41

The shareholders of the Company had, at the Extraordinary General Meeting (EGM) held on February 06, 2018, accorded their consent to the following:

1. Increase in the authorized share capital of the Company from ₹ 800 million divided into 30,000,000 equity shares of ₹ 10 each and 50,000,000 preference shares of ₹ 10 each to ₹ 3,500 million divided into 300,000,000 equity shares of ₹ 10 each and 50,000,000 preference shares of ₹ 10 each.

2. Issue and allotment of bonus shares in the ratio of 3 equity shares of ₹ 10 each for every 1 equity share of ₹ 10 each. The record date for the issue of bonus shares was February 05, 2018.

3.Sub division of the authorized and issued share capital of the Company by decreasing the face value of the equity share from ₹ 10 each to ₹ 5 each. The record date for the sub division was February 13, 2018.

4. Accordingly, the revised authorised share capital of the Company as at March 31, 2018 stands at ₹ 3,500 million divided into 600,000,000 equity shares of ₹ 5 each and 50,000,000 preference shares of ₹ 10 each and issued, subscribed and paid up share capital at ₹ 1,052.78 million comprising of 210,555,200 equity shares of ₹ 5 each.

In accordance with Sections 62(1)(c), 42 and 179 of the Companies Act, 2013 including the rules and regulations framed thereunder and pursuant to approval by the Board of Directors of the Company at its meeting held on April 17, 2018 and by the Shareholders of the Company at the extra ordinary general meeting held on April 18, 2018, 1,433,600 equity shares of face value of ₹ 5 each were issued and allotted to applicants at a premium of ₹ 1,045 per share on a private placement basis. Consequently, the paid up share capital of the Company stands increased to ₹ 1,059.94 million and securities premium of the Company stands increased to ₹ 4,933.20 million.

b) Terms / Rights attached to Equity Shares

1. The Company had issued only one class of equity shares referred to as equity share having Face Value of ₹ 10 each which has been sub-divided to ₹ 5 each w.e.f. February 13, 2018. Each holder of equity shares is entitled to one vote per share.

2. The holders of equity shares are entitled to dividends, if any, proposed by the board of directors and approved by the shareholders at the Annual General Meeting.

3. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of preferential amount. However, no such preferential amount exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) 120,772,800 equity shares of ₹ 5 each (Previous Year 15,096,600 equity shares of ₹ 10 each) are held by Housing Development Finance Corporation Limited (Holding Company) & its nominees.

d) Details of Holding Company and Shareholders holding more than 5 percent Share Capital of the Company :

Name of the Shareholder	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
	(Face Value ₹5)	(Face Value ₹10)	(Face Value ₹10)	(Face Value ₹10)	(Face Value ₹10)
Housing Development Finance Corporation Limited (Holding Company) & its nominees					
No. of Equity Shares	120,772,800	15,096,600	15,096,600	15,096,600	15,096,600
% of Share Capital	57.36	59.99	59.99	59.81	59.81
Standard Life Investments Limited					
No. of Equity Shares	80,515,200	10,064,400	10,064,400	10,064,400	10,064,400
% of Share Capital	38.24	39.99	39.99	39.87	39.87

(₹ in Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014

e) 1,501,800 equity shares of ₹ 5 each (March 31, 2017: 1,176,500, March 31, 2016: 1,178,200, March 31, 2015: 887,000, March 31, 2014: 900,000 equity shares of ₹ 10 each) are reserved for issuance towards outstanding employee stock options.

f) 926,900 (March 31, 2017: 1,411,550, March 31, 2016: 1,915,750, March 31, 2015: 1,623,200, March 31, 2014: 1,623,200) equity shares of ₹ 10 each were bought back during last five years.

g) No shares were alloted as fully paid-up 'pursuant to any contract without payment being received in cash' in last five years.

h) 78,958,200 fully paid up equity shares of ₹ 10 each (March 31, 2017: Nil, March 31, 2016: Nil, March 31, 2015: Nil, March 31, 2014: Nil) were issued by way of bonus shares during the year.

ANNEXURE VI-RESTATED STANDALONE SUMMARY STATEMENT OF RESERVES AND SURPLUS

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Capital Redemption Reserve					
Opening Balance	524.09	524.09	516.24	516.24	514.82
Add : Transfer from Surplus in Restated Standalone Summary Statement of Profit and Loss	-	-	7.85	-	1.42
Closing Balance	**524.09**	**524.09**	**524.09**	**516.24**	**516.24**
Securities Premium Account					
Opening Balance	1.40	-	-	-	-
Add : Additions during the Year	4,223.27	1.40	1,424.54	-	291.03
Less : Utilised during the Year	789.58	-	1,424.54	-	291.03
Closing Balance	**3,435.09**	**1.40**	**-**	**-**	**-**
General Reserve					
Opening Balance	1,028.14	477.89	1,033.12	617.62	318.75
Add : Transfer from Surplus in Restated Standalone Summary Statement of Profit and Loss	721.62	550.25	477.88	415.50	357.77
Less : Utilised during the Year	-	-	1,033.11	-	58.90
Closing Balance	**1,749.76**	**1,028.14**	**477.89**	**1,033.12**	**617.62**
Reserve for social / philanthropic causes & investor centric initiatives					
Opening Balance	25.98	25.98	25.98	25.98	33.65
Add : Transfer from Surplus in Restated Standalone Summary Statement of Profit and Loss	-	-	-	-	-
Less : Utilised during the Year	25.98	-	-	-	7.67
Closing Balance	**-**	**25.98**	**25.98**	**25.98**	**25.98**
Surplus in Restated Standalone Summary Statement of Profit and Loss					
Opening Balance	12,398.13	10,232.62	9,371.15	7,600.33	5,900.35
Add : Profit / (Loss) for the Year	7,216.16	5,502.46	4,778.80	4,155.00	3,577.70
Less : Appropriations :					
General Reserve	721.62	550.25	477.88	415.50	357.77
Capital Redemption Reserve	-	-	7.85	-	1.42
Buy Back of Equity Shares	-	-	632.11	-	-
Tax on Buyback of Equity Shares	-	-	376.52	-	42.01
Interim Equity Dividend Paid	3,368.88	2,315.35	2,013.14	1,640.65	1,262.04
Tax Paid on Interim Equity Dividend	685.83	471.35	409.83	328.03	214.48
Closing Balance	**14,837.96**	**12,398.13**	**10,232.62**	**9,371.15**	**7,600.33**
Total	**20,546.90**	**13,977.74**	**11,260.58**	**10,946.49**	**8,760.17**

Pursuant to the approval of the shareholders at the Extraordinary General Meeting and in accordance with the provisions of the Companies Act, 2013 (Act) (Companies Act, 1956 till March 31, 2015) and rules made thereunder, the Company bought back certain equity shares during the Years. The Company had utilised the Securities Premium Account & Free Reserves for this purpose. The necessary sum had been transferred to Capital Redemption Reserve in terms of Section 69(1) of the Act (Section 77AA of the Companies Act, 1956 till March 31, 2015). The details are as follows:

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
No. of Equity Shares bought back during the Year	-	-	785,400	-	141,500
Aggregate value at which the above shares were bought	-	-	3,097.62	-	351.34
Amount transferred to Capital Redemption Reserve during the Year	-	-	7.85	-	1.42

ANNEXURE VII-RESTATED STANDALONE SUMMARY STATEMENT OF LONG - TERM PROVISIONS

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
For Contingencies (see note 7 of annexure XXIV)	-	-	150.00	150.00	150.00
Provision for Employee Benefits (compensated absences)	7.78	8.04	-	-	-
Total	**7.78**	**8.04**	**150.00**	**150.00**	**150.00**

ANNEXURE VIII-RESTATED STANDALONE SUMMARY STATEMENT OF TRADE PAYABLES

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Outstanding dues of Small Enterprises and Micro Enterprises	-	-	-	-	-
Outstanding dues of creditors other than Small Enterprises and Micro Enterprises (see note 9 of annexure XXIV)	1,115.76	960.62	1,719.79	950.93	1,477.22
Total	**1,115.76**	**960.62**	**1,719.79**	**950.93**	**1,477.22**

ANNEXURE IX-RESTATED STANDALONE SUMMARY STATEMENT OF OTHER CURRENT LIABILITIES

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Statutory Dues	285.20	67.43	61.10	27.40	20.22
Employee Benefits	593.16	588.76	598.02	537.41	426.42
Other Dues (see note 9 of annexure XXIV)	103.50	140.68	186.04	250.06	125.34
Income Received in Advance	-	-	-	2.80	1.58
Total	**981.86**	**796.87**	**845.16**	**817.67**	**573.56**

ANNEXURE X-RESTATED STANDALONE SUMMARY STATEMENT OF SHORT - TERM PROVISIONS

Particulars	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Provision for Employee Benefits (compensated absences)	1.12	0.96	-	-	-
Total	**1.12**	**0.96**	**-**	**-**	**-**

(₹ in Millions except share data and unless otherwise stated)

ANNEXURE XI-RESTATED STANDALONE SUMMARY STATEMENT OF PROPERTY PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	As at March 31, 2017	Additions	Deductions	As at March 31, 2018	As at March 31, 2017	For the Year	Deductions	As at March 31, 2018	As at March 31, 2018
PROPERTY, PLANT AND EQUIPMENT									
Buildings	49.96	0.00	0.00	49.96	6.57	1.00	0.00	7.57	42.39
Furniture & Fixtures	52.97	6.97	3.06	56.88	38.05	7.78	3.06	42.77	14.11
Vehicles	52.05	9.57	8.62	53.00	22.05	12.53	8.62	25.96	27.04
Office Equipment	186.31	20.52	8.40	198.43	150.34	14.65	8.39	156.60	41.83
Computer Equipment	169.58	43.98	4.53	209.03	133.06	26.89	4.53	155.42	53.61
Electrical Installations	6.72	0.00	0.00	6.72	3.35	0.95	0.00	4.30	2.42
Improvement of Rented Premises	406.62	28.07	7.53	427.16	344.45	25.80	7.53	362.72	64.44
Total	**924.21**	**109.11**	**32.14**	**1,001.18**	**697.87**	**89.60**	**32.13**	**755.34**	**245.84**
INTANGIBLE ASSETS									
Goodwill	751.66	0.00	0.00	751.66	691.30	8.33	0.00	699.63	52.03
Computer Software	147.80	21.43	0.00	169.23	122.71	16.47	0.00	139.18	30.05
Total	**899.46**	**21.43**	**0.00**	**920.89**	**814.01**	**24.80**	**0.00**	**838.81**	**82.08**

	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	As at March 31, 2016	Additions	Deductions	As at March 31, 2017	As at March 31, 2016	For the Year	Deductions	As at March 31, 2017	As at March 31, 2017
PROPERTY, PLANT AND EQUIPMENT									
Buildings	49.96	0.00	0.00	49.96	5.57	1.00	0.00	6.57	43.39
Furniture & Fixtures	50.02	4.66	1.71	52.97	32.00	7.76	1.71	38.05	14.92
Vehicles	40.29	16.59	4.83	52.05	15.80	10.31	4.06	22.05	30.00
Office Equipment	175.08	19.43	8.20	186.31	147.06	11.48	8.20	150.34	35.97
Computer Equipment	156.06	24.34	10.82	169.58	122.37	21.40	10.71	133.06	36.52
Electrical Installations	6.72	0.00	0.00	6.72	2.39	0.96	0.00	3.35	3.37
Improvement of Rented Premises	379.40	33.44	6.22	406.62	304.65	46.02	6.22	344.45	62.17
Total	**857.53**	**98.46**	**31.78**	**924.21**	**629.84**	**98.93**	**30.90**	**697.87**	**226.34**
INTANGIBLE ASSETS									
Goodwill	751.66	0.00	0.00	751.66	682.96	8.33	0.00	691.30	60.36
Computer Software	125.60	22.25	0.05	147.80	110.38	12.38	0.05	122.71	25.10
Total	**877.26**	**22.25**	**0.05**	**899.46**	**793.34**	**20.71**	**0.05**	**814.01**	**85.46**

	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	As at March 31, 2015	Additions	Deductions	As at March 31, 2016	As at March 31, 2015	For the Year	Deductions	As at March 31, 2016	As at March 31, 2016
PROPERTY, PLANT AND EQUIPMENT									
Buildings	49.96	0.00	0.00	49.96	4.57	1.00	0.00	5.57	44.39
Furniture & Fixtures	49.43	2.11	1.52	50.02	28.12	5.39	1.51	32.00	18.02
Vehicles	32.47	18.99	11.17	40.29	18.90	8.07	11.17	15.80	24.49
Office Equipment	173.09	9.35	7.36	175.08	144.51	9.91	7.36	147.06	28.02
Computer Equipment	142.55	23.97	10.46	156.06	112.71	20.12	10.46	122.37	33.69
Electrical Installations	6.72	0.00	0.00	6.72	1.43	0.96	0.00	2.39	4.33
Improvement of Rented Premises	376.19	18.37	15.16	379.40	276.37	43.44	15.16	304.65	74.75
Total	**830.41**	**72.79**	**45.67**	**857.53**	**586.61**	**88.89**	**45.66**	**629.84**	**227.69**
INTANGIBLE ASSETS									
Goodwill	751.66	0.00	0.00	751.66	674.63	8.33	0.00	682.96	68.69
Computer Software	114.12	11.48	0.00	125.60	97.00	13.38	0.00	110.38	15.22
Total	**865.78**	**11.48**	**0.00**	**877.26**	**771.63**	**21.71**	**0.00**	**793.34**	**83.92**

(₹ in Millions except share data and unless otherwise stated)

	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	As at March 31, 2014	Additions	Deductions	As at March 31, 2015	As at March 31, 2014	For the Year	Deductions	As at March 31, 2015	As at March 31, 2015
PROPERTY, PLANT AND EQUIPMENT									
Buildings	49.96	0.00	0.00	49.96	3.57	1.00	0.00	4.57	45.39
Furniture & Fixtures	47.26	2.92	0.75	49.43	23.51	5.36	0.75	28.12	21.31
Vehicles	28.66	8.98	5.17	32.47	17.09	6.41	4.60	18.90	13.57
Office Equipment	168.96	11.23	7.10	173.09	142.03	9.56	7.08	144.51	28.58
Computer Equipment	129.14	22.24	8.83	142.55	103.54	18.01	8.84	112.71	29.84
Electrical Installations	5.74	0.98	0.00	6.72	0.40	1.03	0.00	1.43	5.29
Improvement of Rented Premises	363.63	19.15	6.59	376.19	240.63	42.34	6.60	276.37	99.82
Total	**793.35**	**65.50**	**28.44**	**830.41**	**530.77**	**83.71**	**27.87**	**586.61**	**243.80**
INTANGIBLE ASSETS									
Goodwill (see note 18 of annexure XXIV)	668.31	83.35	0.00	751.66	668.31	6.32	0.00	674.63	77.03
Computer Software	101.02	13.10	0.00	114.12	85.64	11.36	0.00	97.00	17.12
Total	**769.33**	**96.45**	**0.00**	**865.78**	**753.95**	**17.68**	**0.00**	**771.63**	**94.15**

	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK
	As at March 31, 2013	Additions	Deductions	As at March 31, 2014	As at March 31, 2013	For the Year	Deductions	As at March 31, 2014	As at March 31, 2014
PROPERTY, PLANT AND EQUIPMENT									
Buildings	49.96	0.00	0.00	49.96	2.57	1.00	0.00	3.57	46.39
Furniture & Fixtures	28.41	21.84	2.99	47.26	23.20	3.27	2.96	23.51	23.75
Vehicles	24.88	6.98	3.20	28.66	14.10	5.35	2.36	17.09	11.57
Office Equipment	164.02	18.99	14.05	168.96	143.27	11.95	13.19	142.03	26.93
Computer Equipment	120.96	13.04	4.86	129.14	92.60	15.77	4.83	103.54	25.60
Electrical Installations	0.00	5.74	0.00	5.74	0.00	0.40	0.00	0.40	5.34
Improvement of Rented Premises	319.68	99.60	55.65	363.63	262.09	34.14	55.60	240.63	123.00
Total	**707.91**	**166.19**	**80.75**	**793.35**	**537.83**	**71.88**	**78.94**	**530.77**	**262.58**
INTANGIBLE ASSETS									
Goodwill	668.31	0.00	0.00	668.31	668.31	0.00	0.00	668.31	0.00
Computer Software	90.22	10.80	0.00	101.02	73.07	12.57	0.00	85.64	15.38
Total	**758.53**	**10.80**	**0.00**	**769.33**	**741.38**	**12.57**	**0.00**	**753.95**	**15.38**

(₹ in Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
ANNEXURE XII-RESTATED STANDALONE SUMMARY STATEMENT OF NON - CURRENT INVESTMENTS					
Investment in Equity Shares					
500,000 (March 31, 2017: 500,000, March 31, 2016: 500,000, March 31, 2015: 500,000,March 31, 2014: NIL) fully paid up Equity Shares of ₹ 1 each of MF Utilities India Private Limited	0.50	0.50	0.50	0.50	-
804 (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: NIL, March 31, 2014: NIL) fully paid up Equity Shares of ₹ 10 each of National Investment and Infrastructure Fund Limited	1.82	-	-	-	-
10 (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: NIL, March 31, 2014: NIL) fully paid up Equity Shares of ₹ 10 each of Medgenome Labs Limited	0.03	-	-	-	-
Investment in Preference Shares					
NIL (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: 3,652,522, March 31, 2014: 3,652,522) 8.75% Cumulative Redeemable Preference Shares of ₹ 100 each of L&T Finance Holdings Limited	-	-	-	365.25	365.25
32,000 (March 31, 2017: 32,000, March 31, 2016: 32,000, March 31, 2015: 32,000, March 31, 2014: 32,000) 16.06% Cumulative Redeemable Preference Shares of ₹ 7,500 each of Infrastructure Leasing & Financial Services Limited	400.00	400.00	400.00	400.00	400.00
3,000,000 (March 31, 2017: 3,000,000, March 31, 2016: 3,000,000, March 31, 2015: NIL, March 31, 2014: NIL) 8.15% Cumulative Redeemable Preference Shares of ₹ 100 each of L&T Finance Holdings Limited	300.00	300.00	300.00	-	-
Investment in Bonds					
61,809 (March 31, 2017: 61,809, March 31, 2016: 61,809, March 31, 2015: 61,809, March 31, 2014: 61,809) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of National Highways Authority of India (NHAI)	61.81	61.81	61.81	61.81	61.81
163,131 (March 31, 2017: 163,131, March 31, 2016: 163,131, March 31, 2015: 163,131, March 31, 2014: 163,131) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of Indian Railways Finance Corporation (IRFC)	163.13	163.13	163.13	163.13	163.13
200 (March 31, 2017: 200, March 31, 2016: 200, March 31, 2015: 200, March 31, 2014: 200) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000,000 each of Rural Electrification Corporation Limited (REC)	199.98	199.98	199.98	199.98	199.98
49,896 (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: NIL) Compulsorily Convertible Debentures of ₹ 1,000 each of Medgenome Labs Limited	49.90	-	-	-	-
1,500,000 (March 31, 2017: NIL, March 31, 2016: NIL,March 31, 2015: NIL, March 31, 2014: NIL) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of National Bank for Agriculture and Rural Development (NABARD)	1,649.03	-	-	-	-
500,000 (March 31, 2017: NIL, March 31, 2016: NIL,March 31, 2015: NIL, March 31, 2014: NIL) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of Indian Railways Finance Corporation (IRFC)	549.00	-	-	-	-
250,000 (March 31, 2017: NIL, March 31, 2016: NIL,March 31, 2015: NIL, March 31, 2014: NIL) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of NHPC Limited	310.82	-	-	-	-
250,000 (March 31, 2017: NIL, March 31, 2016: NIL,March 31, 2015: NIL, March 31, 2014: NIL) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of NTPC Limited	310.73	-	-	-	-
250,000 (March 31, 2017: NIL, March 31, 2016: NIL,March 31, 2015: NIL, March 31, 2014: NIL) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of Housing and Urban Development Corporation Limited (HUDCO)	277.48	-	-	-	-
250 (March 31, 2017: NIL, March 31, 2016: NIL,March 31, 2015: NIL, March 31, 2014: NIL) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 10,00,000 each of Power Finance Corporation Limited (PFC)	263.83	-	-	-	-
250,000 (March 31, 2017: NIL, March 31, 2016: NIL,March 31, 2015: NIL, March 31, 2014: NIL) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of Indian Railways Finance Corporation (IRFC)	260.08	-	-	-	-
500,000 (March 31, 2017: NIL, March 31, 2016: NIL,March 31, 2015: NIL, March 31, 2014: NIL) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of National Highways Authority of India (NHAI)	549.91	-	-	-	-
150,460 (March 31, 2017: NIL, March 31, 2016: NIL,March 31, 2015: NIL, March 31, 2014: NIL) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of Rural Electrification Corporation Limited (REC)	156.52	-	-	-	-
250,000 (March 31, 2017: NIL, March 31, 2016: NIL,March 31, 2015: NIL, March 31, 2014: NIL) Tax-Free Secured Redeemable Non-Convertible Bonds of ₹ 1,000 each of Indian Renewable Energy Development Agency Limited (IREDA)	273.89	-	-	-	-
Investment in Schemes of Mutual Fund					
2,405 Units (March 31, 2017: 2,405, March 31, 2016: 2,405, March 31, 2015: 2,405, March 31, 2014: NIL) of ₹ 1,000 each in HDFC Cash Management Fund - Call Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
NIL Units (March 31, 2017: NIL, March 31, 2016: NIL,March 31, 2015: 457,277, March 31, 2014: NIL) of ₹ 10 each in HDFC Inflation Indexed Bond Fund - Direct Plan - Growth Option	-	-	-	5.00	-

(₹ in Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
177,832 Units (March 31, 2017: 177,832, March 31, 2016: 177,832, March 31, 2015: 177,832, March 31, 2014: NIL) of ₹ 10 each in HDFC Cash Management Fund - Treasury Advantage Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
222,680 Units (March 31, 2017: 222,680, March 31, 2016: 222,680, March 31, 2015: 222,680, March 31, 2014: NIL) of ₹ 10 each in HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
489,860 Units (March 31, 2017: 489,860, March 31, 2016: 489,860, March 31, 2015: 489,860,March 31, 2014: NIL) of ₹ 10 each in HDFC Arbitrage Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
403,421 Units (March 31, 2017: 403,421, March 31, 2016: 403,421, March 31, 2015: 403,421,March 31, 2014: NIL) of ₹ 10 each in HDFC Dynamic PE Ratio Fund of Funds - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
515,390 Units (March 31, 2017: 515,390, March 31, 2016: 515,390, March 31, 2015: 515,390,March 31, 2014: NIL) of ₹ 10 each in HDFC Gold Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
171,973 Units (March 31, 2017: 171,973, March 31, 2016: 171,973, March 31, 2015: 171,973,March 31, 2014: NIL) of ₹ 10 each in HDFC Income Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
200,040 Units (March 31, 2017: 200,040, March 31, 2016: 200,040, March 31, 2015: 200,040,March 31, 2014: NIL) of ₹ 10 each in HDFC Gilt Fund - Long Term Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
235,156 Units (March 31, 2017: 235,156, March 31, 2016: 235,156, March 31, 2015: 235,156,March 31, 2014: NIL) of ₹ 10 each in HDFC Gilt Fund - Short Term Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
198,753 Units (March 31, 2017: 198,753, March 31, 2016: 198,753, March 31, 2015: 198,753,March 31, 2014: NIL) of ₹ 10 each in HDFC Short Term Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
114,714 Units (March 31, 2017: 114,714, March 31, 2016: 114,714, March 31, 2015: 114,714,March 31, 2014: NIL) of ₹ 10 each in HDFC High Interest Fund - Dynamic Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
193,940 Units (March 31, 2017: 193,940, March 31, 2016: 193,940, March 31, 2015: 193,940,March 31, 2014: NIL) of ₹ 10 each in HDFC High Interest Fund - Short Term Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
218,498 Units (March 31, 2017: 218,498, March 31, 2016: 218,498, March 31, 2015: 218,498,March 31, 2014: NIL) of ₹ 10 each in HDFC Floating Rate Income Fund - Long Term Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
353,699 Units (March 31, 2017: 353,699, March 31, 2016: 353,699, March 31, 2015: 353,699,March 31, 2014: NIL) of ₹ 10 each in HDFC Medium Term Opportunities Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
351,674 Units (March 31, 2017: 351,674, March 31, 2016: 351,674, March 31, 2015: 351,674,March 31, 2014: NIL) of ₹ 10 each in HDFC Short Term Opportunities Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
482,197 Units (March 31, 2017: 482,197, March 31, 2016: 482,197, March 31, 2015: 482,197,March 31, 2014: NIL) of ₹ 10 each in HDFC Corporate Debt Opportunities Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
487,087 Units (March 31, 2017: 487,087, March 31, 2016: 487,087, March 31, 2015: 487,087,March 31, 2014: NIL) of ₹ 10 each in HDFC Banking and PSU Debt Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
155,738 Units (March 31, 2017: 155,738, March 31, 2016: 155,738, March 31, 2015: 155,738,March 31, 2014: NIL) of ₹ 10 each in HDFC Monthly Income Plan - Long Term Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
214,213 Units (March 31, 2017: 214,213, March 31, 2016: 214,213, March 31, 2015: 214,213,March 31, 2014: NIL) of ₹ 10 each in HDFC Monthly Income Plan - Short Term Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
197,625 Units (March 31, 2017: 197,625, March 31, 2016: 197,625, March 31, 2015: 197,625,March 31, 2014: NIL) of ₹ 10 each in HDFC Equity Savings Fund - Direct Plan - Growth Option (erstwhile HDFC Multiple Yield Fund - Direct Plan - Growth Option - till FY 2015-16)	5.00	5.00	5.00	5.00	-
213,400 Units (March 31, 2017: 213,400, March 31, 2016: 213,400, March 31, 2015: 213,400,March 31, 2014: NIL) of ₹ 10 each in HDFC Multiple Yield Fund - Plan 2005 - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
1,929 Units (March 31, 2017: 1,929, March 31, 2016: 1,929, March 31, 2015: 1,929,March 31, 2014: NIL) of ₹ 1,000 each in HDFC Liquid Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
1,823 Units (March 31, 2017: 1,823, March 31, 2016: 1,823, March 31, 2015: 1,823,March 31, 2014: NIL) of ₹ 1,000 each in HDFC Cash Management Fund - Savings Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
NIL Units (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: 457,076,March 31, 2014: NIL) of ₹ 10 each in HDFC Quarterly Interval Fund - Plan B - Direct Plan - Growth Option	-	-	-	5.00	-
2,000 Units (March 31, 2017: 2,000, March 31, 2016: 2,000, March 31, 2015: 2,000,March 31, 2014: NIL) of ₹ 100 each in HDFC Gold Exchange Traded Fund - Growth Option	5.41	5.41	5.41	5.41	-

(₹ in Millions except share data and unless otherwise stated)

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at March 31, 2016**	**As at March 31, 2015**	**As at March 31, 2014**
NIL Units (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: 276,976,March 31, 2014: NIL) of ₹ 10 each in HDFC Quarterly Interval Fund - Plan C - Direct Plan - Growth Option	-	-	-	5.00	-
416,334 Units (March 31, 2017: 416,334, March 31, 2016: 416,334, March 31, 2015: 416,334,March 31, 2014: NIL) of ₹ 10 each in HDFC Annual Interval Fund Series I - Plan A - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
NIL Units (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: 256,797,March 31, 2014: NIL) of ₹ 10 each in HDFC Quarterly Interval Fund - Plan A - Direct Plan - Growth Option	-	-	-	5.00	-
NIL Units (March 31, 2017: 418,022, March 31, 2016: 418,022, March 31, 2015: 418,022,March 31, 2014: NIL) of ₹ 10 each in HDFC Annual Interval Fund - Series 1 - Plan B - Direct Plan - Growth Option	-	5.00	5.00	5.00	-
1,999 Units (March 31, 2017: 1,999, March 31, 2016: 1,999, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 2,641.50 each in HDFC Sensex ETF	5.00	5.00	5.00	-	-
6,574 Units (March 31, 2017: 6,574, March 31, 2016: 6,574, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 794.10 each in HDFC Nifty ETF	5.00	5.00	5.00	-	-
500,000 Units (March 31, 2017: 500,000, March 31, 2016: 500,000, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC Retirement Savings Fund - Equity Plan - Direct Plan - Growth Option	5.00	5.00	5.00	-	-
500,000 Units (March 31, 2017: 500,000, March 31, 2016: 500,000, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC Retirement Savings Fund - Hybrid - Equity Plan - Direct Plan - Growth Option	5.00	5.00	5.00	-	-
500,000 Units (March 31, 2017: 500,000, March 31, 2016: 500,000, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC Retirement Savings Fund - Hybrid - Debt Plan - Direct Plan - Growth Option	5.00	5.00	5.00	-	-
37,760 Units (March 31, 2017: 37,760, March 31, 2016: 37,760, March 31, 2015: 37,760,March 31, 2014: NIL) of ₹ 10 each in HDFC Growth Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
46,206 Units (March 31, 2017: 46,206, March 31, 2016: 46,206, March 31, 2015: 46,206,March 31, 2014: NIL) of ₹ 10 each in HDFC Balanced Fund- Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
20,964 Units (March 31, 2017: 20,964, March 31, 2016: 20,964, March 31, 2015: 20,964,March 31, 2014: NIL) of ₹ 10 each in HDFC Long Term Advantage Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
114,931 Units (March 31, 2017: 59,544, March 31, 2016: 59,544, March 31, 2015: 59,544,March 31, 2014: NIL) of ₹ 10 each in HDFC Children's Gift Fund - Direct Plan (erstwhile HDFC Children's Gift Fund - Investment Plan - Direct Plan - till FY 2016-17) (see note 19 of annexure XXIV)	11.38	5.00	5.00	5.00	-
NIL Units (March 31, 2017: 139,087, March 31, 2016: 139,087, March 31, 2015: 139,087,March 31, 2014: NIL) of ₹ 10 each in HDFC Children's Gift Fund - Savings Plan - Direct Plan (see note 19 of annexure XXIV)	-	5.00	5.00	5.00	-
87,149 Units (March 31, 2017: 87,149, March 31, 2016: 87,149, March 31, 2015: 87,149,March 31, 2014: NIL) of ₹ 10 each in HDFC Core and Satellite Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
66,699 Units (March 31, 2017: 66,699, March 31, 2016: 66,699, March 31, 2015: 66,699,March 31, 2014: NIL) of ₹ 10 each in HDFC Index Fund - Nifty Plan- Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
13,645 Units (March 31, 2017: 13,645, March 31, 2016: 13,645, March 31, 2015: 13,645,March 31, 2014: NIL) of ₹ 10 each in HDFC Index Fund - Sensex Plus Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
20,835 Units (March 31, 2017: 20,835, March 31, 2016: 20,835, March 31, 2015: 20,835,March 31, 2014: NIL) of ₹ 10 each in HDFC Index Fund - Sensex Plan - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
10,615 Units (March 31, 2017: 10,615, March 31, 2016: 10,615, March 31, 2015: 10,615,March 31, 2014: NIL) of ₹ 10 each in HDFC Equity Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
14,485 Units (March 31, 2017: 14,485, March 31, 2016: 14,485, March 31, 2015: 14,485,March 31, 2014: NIL) of ₹ 10 each in HDFC Top 200 Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
24,980 Units (March 31, 2017: 24,980, March 31, 2016: 24,980, March 31, 2015: 24,980,March 31, 2014: NIL) of ₹ 10 each in HDFC Capital Builder Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
12,496 Units (March 31, 2017: 12,496, March 31, 2016: 12,496, March 31, 2015: 12,496,March 31, 2014: NIL) of ₹ 10 each in HDFC Tax Saver - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
115,808 Units (March 31, 2017: 115,808, March 31, 2016: 115,808, March 31, 2015: 115,808,March 31, 2014: NIL) of ₹ 10 each in HDFC Premier Multi-Cap Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
135,586 Units (March 31, 2017: 135,586, March 31, 2016: 135,586, March 31, 2015: 135,586,March 31, 2014: NIL) of ₹ 10 each in HDFC Mid-Cap Opportunities Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-

(₹ in Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
13,312 Units (March 31, 2017: 13,312, March 31, 2016: 13,312, March 31, 2015: 13,312,March 31, 2014: NIL) of ₹ 10 each in HDFC Prudence Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
301,696 Units (March 31, 2017: 301,696, March 31, 2016: 301,696, March 31, 2015: 301,696,March 31, 2014: NIL) of ₹ 10 each in HDFC Infrastructure Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
55,339 Units (March 31, 2017: 55,339, March 31, 2016: 55,339, March 31, 2015: 55,339,March 31, 2014: NIL) of ₹ 10 each in HDFC Large Cap Fund - Direct Plan - Growth Option	5.00	5.00	5.00	5.00	-
196,017 Units (March 31, 2017: 196,017, March 31, 2016: 196,017, March 31, 2015: 196,017,March 31, 2014: NIL) of ₹ 10 each in HDFC Small Cap Fund - Direct Plan - Growth Option (erstwhile HDFC Small & Mid Cap Fund - Direct Plan - Growth Option - till FY 2016-17)	5.00	5.00	5.00	5.00	-
Investment in Venture Capital Fund					
127,458 Units (March 31, 2017: 145,741, March 31, 2016: 177,753, March 31, 2015: 180,716, March 31, 2014: 113,709) of ₹ 1,000 each in Faering Capital India Evolving Fund (Class A)	127.46	145.74	177.75	180.72	113.71
Investment in Alternative Investment Fund					
75,000 Units (March 31, 2017: 75,000, March 31, 2016: 45,000, March 31, 2015: NIL, March 31, 2014: NIL) of ₹ 1,000 each in Faering Capital India Evolving Fund II (Class A)	75.00	75.00	45.00	-	-
1,227 Units (March 31, 2017: 914, March 31, 2016: NIL, March 31, 2015: NIL, March 31, 2014: NIL) of ₹ 100,000 each in Investment Jhelum Investment Fund I	123.95	91.40	-	-	-
438 Units (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: NIL, March 31, 2014: NIL) of ₹ 100,000 each in National Investment and Infrastructure Fund (Class A)	43.76	-	-	-	-
Total Non-Current Investments	**6,395.42**	**1,687.97**	**1,598.58**	**1,616.80**	**1,303.88**
Aggregate of Quoted Investments					
Book Value	5,046.64	450.34	450.34	455.33	424.92
Market Value	4,619.15	477.87	472.55	472.65	432.71
Aggregate of Unquoted Investments					
Book Value	1,348.79	1,237.63	1,148.24	1,161.47	878.96

ANNEXURE XIII-RESTATED STANDALONE SUMMARY STATEMENT OF DEFERRED TAX ASSETS

(see note 6 of annexure XXIV)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Deferred Tax Asset	100.33	94.93	139.70	133.83	129.34
Deferred Tax Liability	(3.01)	(1.40)	(0.80)	(1.03)	(1.23)
Total	**97.32**	**93.53**	**138.90**	**132.80**	**128.11**

ANNEXURE XIV-RESTATED STANDALONE SUMMARY STATEMENT OF LONG - TERM LOANS AND ADVANCES

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Secured, Considered good					
-Loan to Corporate	-	-	-	-	5.15
Unsecured, Considered good					
-Capital Advances	15.66	1.72	0.05	0.17	1.45
-Security Deposits	135.25	122.90	95.10	95.29	106.79
-Prepaid Expenses	178.01	236.51	678.06	1,499.58	971.87
-Advance Payment of Taxes (Net of Provision)	287.75	329.03	200.60	156.93	112.75
Total	**616.67**	**690.16**	**973.81**	**1,751.97**	**1,198.01**
Amounts related to the Directors or Promoters	-	-	-	-	-

ANNEXURE XV-RESTATED STANDALONE SUMMARY STATEMENT OF CURRENT INVESTMENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Investment in Schemes of Mutual Fund (Valued at Cost and Fair Value, whichever is lower)					
NIL Units (March 31, 2017: 1,394,413, March 31, 2016: NIL, March 31, 2015: 1,441,163,March 31, 2014: NIL) of ₹ 10 each in HDFC Cash Management Fund - Treasury Advantage Plan - Direct Plan - Growth Option	-	49.40	-	43.20	-
NIL Units (March 31, 2017: 25,403,045, March 31, 2016: 47,900,977, March 31, 2015: 88,744,848,March 31, 2014: 88,744,848) of ₹ 10 each in HDFC Floating Rate Income Fund - Long Term Plan - Direct Plan - Growth Option	-	519.06	978.76	1,813.33	1,813.33
NIL Units (March 31, 2017: 38,853,139, March 31, 2016: 73,231,049, March 31, 2015: 73,231,049,March 31, 2014: 73,231,049) of ₹ 10 each in HDFC Short Term Opportunities Fund - Direct Plan - Growth Option	-	492.21	927.73	927.73	927.73
176,409,273 Units (March 31, 2017: 88,092,815, March 31, 2016: 59,150,302, March 31, 2015: 15,000,000,March 31, 2014: 15,000,000) of ₹ 10 each in HDFC Corporate Debt Opportunities Fund - Direct Plan - Growth Option	2,396.25	1,100.00	700.00	150.00	150.00
15,241,114 Units (March 31, 2017: 24,251,440, March 31, 2016: 9,010,325, March 31, 2015: 9,010,325,March 31, 2014: 7,789,281) of ₹ 10 each in HDFC Regular Savings Fund - Direct Plan - Growth Option (erstwhile HDFC Short Term Plan - Direct Plan - Growth Option)	465.06	739.99	239.99	239.99	190.00

(₹ in Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
112,740,000 Units (March 31, 2017: 112,740,000, March 31, 2016: 170,000,000, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC FMP 1114D March 2016 (1) - Direct Plan - Growth Option	1,127.40	1,127.40	1,700.00	-	-
18,214,162 Units (March 31, 2017: 18,214,162, March 31, 2016: 18,214,162, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC Medium Term Opportunities Fund - Direct Plan - Growth Option	300.00	300.00	300.00	-	-
80,000,000 Units (March 31, 2017: 80,000,000, March 31, 2016: 80,000,000, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC FMP 1107D March 2016 (1) - Direct Option - Growth Option	800.00	800.00	800.00	-	-
437,406,022 Units (March 31, 2017: 194,122,319, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC Arbitrage Fund - Wholesale Plan - Direct Plan - Normal Dividend	4,711.50	2,078.02	-	-	-
50,000,000 Units (March 31, 2017: 50,000,000, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC FMP 1218D Dec 2016 (1) - Direct Plan - Growth Option	500.00	500.00	-	-	-
30,000,000 Units (March 31, 2017: 30,000,000, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC FMP 1199D Jan 2017(1) - Direct Plan - Growth Option	300.00	300.00	-	-	-
40,000,000 Units (March 31, 2017: 40,000,000, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC FMP 1178D Feb 2017(1) - Direct Plan - Growth Option	400.00	400.00	-	-	-
40,000,000 Units (March 31, 2017: 40,000,000, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC FMP 1170D Feb 2017(1) - Direct Plan - Growth Option	400.00	400.00	-	-	-
5,000,000 Units (March 31, 2017: 5,000,000, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC Charity Fund for Cancer Cure - Arbitrage Plan - Dividend Option	50.00	50.00	-	-	-
5,000,000 Units (March 31, 2017: 5,000,000, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC Charity Fund for Cancer Cure - Debt Plan - Dividend Option	50.00	50.00	-	-	-
NIL Units (March 31, 2017: 75,479,673, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC Banking and PSU Debt Fund - Direct Plan - Growth Option	-	1,000.00	-	-	-
23,097,051 Units (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Growth Option	700.00	-	-	-	-
1,612,973 Units (March 31, 2017: 1,612,973, March 31, 2016: 1,612,973, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 10 each in HDFC Dynamic PE Ratio Fund of Funds - Direct Plan - Growth Option	22.50	22.50	22.50	-	-
NIL Units (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: 107,401,509) of ₹ 10 each in HDFC Cash Management Fund - Treasury Advantage Plan - Direct Plan (Weekly Dividend Plan)	-	-	-	-	1,080.77
870,225 Units (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: NIL) of ₹ 1,000 each in HDFC Liquid Fund - Direct Plan (Dividend Plan)	887.47	-	-	-	-
NIL Units (March 31, 2017: 233,837, March 31, 2016: 606,993, March 31, 2015: 12,156,034,March 31, 2014: NIL) of ₹ 10 each in HDFC Liquid Fund - Direct Plan - Growth Option	-	750.00	1,812.50	335.48	-
NIL Units (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: 21,006,609,March 31, 2014: NIL) of ₹ 10 each in HDFC Gilt Fund - Long Term Plan - Direct Plan - Growth Option	-	-	-	600.00	-
NIL Units (March 31, 2017: NIL, March 31, 2016: 10,000,000, March 31, 2015: 10,000,000,March 31, 2014: 10,000,000) of ₹ 10 each in HDFC FMP 371D December 2013 (2) - Direct Plan - Growth Option	-	-	100.00	100.00	100.00
NIL Units (March 31, 2017: NIL, March 31, 2016: 20,000,000, March 31, 2015: 20,000,000,March 31, 2014: 20,000,000) of ₹ 10 each in HDFC FMP 371D January 2014 (1) - Direct Plan - Growth Option	-	-	200.00	200.00	200.00
NIL Units (March 31, 2017: NIL, March 31, 2016: 30,000,000, March 31, 2015: 30,000,000,March 31, 2014: 30,000,000) of ₹ 10 each in HDFC FMP 369D January 2014 (1) - Direct Plan - Growth Option	-	-	300.00	300.00	300.00
NIL Units (March 31, 2017: NIL, March 31, 2016: 12,866,142, March 31, 2015: 12,866,142,March 31, 2014: 45,000,000) of ₹ 10 each in HDFC FMP 370D January 2014 (1) - Direct Plan - Growth Option	-	-	128.66	128.66	450.00
NIL Units (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: 20,000,000) of ₹ 10 each in HDFC FMP 371D February 2014 (1) - Direct Plan - Growth Option	-	-	-	-	200.00
NIL Units (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: 30,000,000) of ₹ 10 each in HDFC FMP 369D February 2014 (2) - Direct Plan - Growth Option	-	-	-	-	300.00

(₹ in Millions except share data and unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
NIL Units (March 31, 2017: NIL, March 31, 2016: NIL, March 31, 2015: NIL,March 31, 2014: 30,000,000) of ₹ 10 each in HDFC FMP 370D March 2014 (1) - Direct Plan - Growth Option	-	-	-	-	300.00
NIL Units (March 31, 2017: NIL, March 31, 2016: 5,000,000, March 31, 2015: 5,000,000,March 31, 2014: 5,000,000) of ₹ 10 each in HDFC Debt Fund for Cancer Cure 2014 - Direct Plan - Dividend Option	-	-	50.00	50.00	50.00
Total Current Investments	**13,110.18**	**10,678.58**	**8,260.14**	**4,888.39**	**6,061.83**
Less: Provision for Diminution in the value of Investments	-	-	0.87	-	-
Net Current Investments	**13,110.18**	**10,678.58**	**8,259.27**	**4,888.39**	**6,061.83**
Aggregate of Investments in Quoted Mutual Funds					
Book Value	3,627.40	3,627.40	3,278.66	1,378.66	1,900.00
Market Value	3,627.40	3,627.40	3,278.66	1,378.66	1,900.00
Aggregate of Investments in Unquoted Mutual Funds					
Book Value	9,482.78	7,051.18	4,980.61	3,509.73	4,161.83

ANNEXURE XVI-RESTATED STANDALONE SUMMARY STATEMENT OF TRADE RECEIVABLES

(Unsecured, Considered good)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Investment Management Fee Receivable (less than six months)	760.65	435.49	359.89	141.23	129.68
Portfolio Management Fee & Other Advisory Services Receivable					
- Over six months	0.09	0.25	0.24	0.04	0.17
- Others*	142.05	415.17	25.57	24.48	24.95
	142.14	**415.42**	**25.81**	**24.52**	**25.12**
Total	**902.79**	**850.91**	**385.70**	**165.75**	**154.80**
* Includes amount related to:					
- Promoters (From Standard Life Investments Limited)	5.34	2.82	1.07	1.65	0.54
- Directors	-	-	-	-	-

ANNEXURE XVII-RESTATED SUMMARY STANDALONE STATEMENT OF CASH AND BANK BALANCES

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Cash and Cash Equivalents					
- Balances with Banks	19.54	11.63	8.68	24.63	9.38
Other Bank Balances					
- In Deposit Account (security against bank guarantee)	1.13	1.11	1.12	1.04	0.98
Total	**20.67**	**12.74**	**9.80**	**25.67**	**10.36**

ANNEXURE XVIII-RESTATED STANDALONE SUMMARY STATEMENT OF SHORT - TERM LOANS AND ADVANCES

(Unsecured, Considered good)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Prepaid Expenses					
- Related Parties	11.74	5.78	5.78	5.34	6.48
- Others	1,774.15	1,542.94	1,633.26	2,164.73	742.40
	1,785.89	**1,548.72**	**1,639.04**	**2,170.07**	**748.88**
Goods and Services Tax / Service Tax Credit Receivable	147.98	13.65	8.98	4.29	10.16
Other Receivables					
- Related Parties**	70.56	15.84	31.55	57.33	59.03
- Others	50.25	49.30	41.78	255.79	245.25
	120.81	**65.14**	**73.33**	**313.12**	**304.28**
Total	**2,054.68**	**1,627.51**	**1,721.35**	**2,487.48**	**1,063.32**
** Includes amount related to:					
- Promoters					
-Housing Development Finance Corporation Limited	17.20	-	-	-	-
-Standard Life Investments Limited	33.76	-	-	-	-
- Directors	-	-	-	-	-

ANNEXURE XIX-RESTATED STANDALONE SUMMARY STATEMENT OF OTHER CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015	As at March 31, 2014
Interest accrued on Loans	-	-	-	-	0.39
Interest accrued on Fixed Deposit	0.01	0.01	0.01	0.01	0.01
Interest accrued on Bonds	120.91	18.50	18.57	18.50	18.50
Receivable towards sale of Current Investments	-	-	798.60	-	-
Portfolio Management Fee Accrued But Not Due (see note 17 of annexure XXIV)	-	-	-	1,691.20	994.15
Total	**120.92**	**18.51**	**817.18**	**1,709.71**	**1,013.05**

(₹ in Millions except share data and unless otherwise stated)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
ANNEXURE XX-RESTATED STANDALONE SUMMARY STATEMENT OF REVENUE FROM OPERATIONS					
Investment Management Fee	17,364.79	14,284.53	12,097.36	9,208.79	7,150.17
Portfolio Management Fee & Other Advisory Services	232.72	515.82	2,328.09	1,015.59	1,435.30
Total	**17,597.51**	**14,800.35**	**14,425.45**	**10,224.38**	**8,585.47**
ANNEXURE XXI-RESTATED STANDALONE SUMMARY STATEMENT OF OTHER INCOME					
Other Income	1,074.95	1,078.75	517.97	418.38	445.67
Restated profit before tax	10,625.15	7,998.01	7,082.50	6,225.96	5,224.51
Percentage of other income to restated profit before tax	10.12%	13.49%	7.31%	6.72%	8.53%
Interest Income:					
-From Non-Current Investments (net)	48.41	34.97	35.11	35.04	27.86
-From Others	0.07	0.02	0.01	0.23	1.41
Dividend Income:					
-From Current Investments	270.92	119.14	112.82	70.36	52.48
-From Non-Current Investments	25.83	62.99	91.99	71.24	33.02
Net Gain / (Loss) on Sale of Investments:					
-From Non-Current Investments	31.66	62.73	-	-	-
-From Current Investments	695.56	601.81	235.89	154.94	274.89
Others					
-Utilisation / Reversal of Provision for Contingencies	-	150.00	-	-	-
-Reversal of Diminution in the Value of Current Investments	-	0.87	-	-	-
-Reversal of Diminution in the Value of Non Current Investments	-	-	-	-	3.80
-Miscellaneous Income	2.50	46.22	42.15	86.57	52.21
Total	**1,074.95**	**1,078.75**	**517.97**	**418.38**	**445.67**
ANNEXURE XXII-RESTATED STANDALONE SUMMARY STATEMENT OF EMPLOYEE BENEFITS EXPENSE					
Salaries, Allowances and Bonus	1,636.23	1,454.86	1,326.75	1,165.34	1,052.95
Contribution to Provident and Other Funds	81.51	92.99	82.71	89.70	44.07
Staff Welfare and Training Expenses	31.74	27.66	22.41	20.03	18.50
Total	**1,749.48**	**1,575.51**	**1,431.87**	**1,275.07**	**1,115.52**
ANNEXURE XXIII-RESTATED STANDALONE SUMMARY STATEMENT OF OTHER EXPENSES					
Brokerage / Incentives / Fees / Mutual Fund Expenses	3,686.92	4,192.76	4,566.23	1,734.48	1,506.38
Business Promotion	784.87	520.03	379.19	257.60	177.06
Rent	355.94	314.51	285.40	288.46	324.85
Repair and Maintenance	195.89	173.38	161.52	141.07	135.50
Insurance Expenses	27.96	24.57	20.71	19.21	18.41
Rates and Taxes	1.66	2.89	1.47	2.06	2.29
Printing and Courier	289.45	225.80	241.79	111.08	77.55
Travel and Conveyance	70.96	64.70	57.50	49.46	46.63
Communication Expenses	45.50	39.34	35.32	31.74	33.09
Subscription and Membership Fees	78.97	67.36	56.49	32.97	25.32
Professional and Legal Fees	87.67	99.63	59.78	54.80	36.43
Electricity Charges	53.65	47.57	48.63	44.08	43.03
Outsourced Services Cost	199.47	159.25	132.98	119.80	115.73
Auditors Remuneration:					
Audit Fee	1.20	1.50	1.50	1.20	1.20
Audit Fee - PMS Business	0.38	0.30	4.70	3.48	2.78
Tax Audit Fee	0.15	0.10	0.10	0.10	0.05
Taxation Matters	0.00	-	0.65	1.12	0.73
Reimbursement of Expenses	0.00	-	-	-	-
Other Services	2.99	0.72	1.82	1.60	0.87
	4.72	**2.62**	**8.77**	**7.50**	**5.63**
Directors Sitting Fees	18.27	14.47	15.52	12.84	9.16
Loss on Foreign Exchange Translation (net)	1.57	18.26	0.59	0.24	0.53
Loss on Sale of Non Current Investments (net)	-	-	-	-	3.80
Provision for Diminution in the Value of Current Investments	-	-	0.87	-	-
Donations	0.25	1.25	1.26	0.24	-
Corporate Social Responsibility expenditure as per Sec 135(5) of the Companies Act, 2013 (see note 13 of annexure XXIV)	143.88	123.34	90.20	73.94	-
Miscellaneous Expenses	135.83	94.21	154.23	58.77	45.27
Total	**6,183.43**	**6,185.94**	**6,318.45**	**3,040.34**	**2,606.66**

Annexure XXIV

NOTES FORMING PART OF THE RESTATED STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018, YEAR ENDED MARCH 31, 2017, YEAR ENDED MARCH 31, 2016, YEAR ENDED MARCH 31, 2015 AND YEAR ENDED MARCH 31, 2014

1 Employee Benefits

In accordance with the Accounting Standard on "Employee Benefits" (AS–15) (Revised 2005), the Company has classified the various benefits provided to the employees as under:

A) Defined Contribution Plan

Provident Fund

The Company has recognized the following amounts in the Restated Standalone Summary Statement of Profit and Loss, which are included under Contributions to Provident Fund and Other Funds:

(₹ in millions)

Particulars	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**	**Year Ended March 31, 2016**	**Year Ended March 31, 2015**	**Year Ended March 31, 2014**
Employer's contribution to Provident Fund	52.32	44.53	38.05	33.26	31.28

B) Defined Benefit Plan

The details of the Company's post-retirement benefit plan for its employees are given below and certified by an independent actuary.

Contribution to Gratuity Fund (Funded Scheme)

(₹ in millions)

Change in the Defined Benefit Obligations:	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**	**Year Ended March 31, 2016**	**Year Ended March 31, 2015**	**Year Ended March 31, 2014**
Liability at the beginning of the Year	218.41	178.51	138.44	85.76	73.75
Current Service Cost	23.05	16.98	14.89	10.76	10.39
Interest Cost	15.86	14.25	10.96	7.98	6.08
Benefits Paid	(6.93)	(15.32)	(10.20)	(7.17)	(3.32)
Actuarial (Gain) / Loss	(2.39)	23.99	24.41	41.11	(1.14)
Liability at the end of the Year	**248.01**	**218.41**	**178.51**	**138.44**	**85.76**

(₹ in millions)

Fair Value of Plan Assets:	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Fair Value of Plan Assets at the beginning of the Year	173.83	137.15	85.38	76.11	56.70
Expected Return on Plan Assets	12.62	10.94	6.76	6.62	4.93
Contributions	44.58	41.36	53.07	9.65	17.05
Benefits Paid	(6.93)	(15.32)	(10.20)	(7.17)	(3.32)
Actuarial Gain / (Loss) on Plan Assets	(1.57)	(0.30)	2.14	0.17	0.75
Fair Value of Plan Assets at the end of the Year	**222.53**	**173.83**	**137.15**	**85.38**	**76.11**

(₹ in millions)

Actual Return on Plan Assets:	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Expected Return on Plan Assets	12.62	10.94	6.76	6.62	4.93
Actuarial Gain / (Loss) on Plan Assets	(1.57)	(0.30)	2.14	0.17	0.75
Actual Return on Plan Assets	**11.05**	**10.64**	**8.90**	**6.79**	**5.68**

(₹ in millions)

Amount Recognized in the Restated Standalone Summary Statement of Assets and Liabilities :	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Liability at the end of the Year	248.01	218.41	178.51	138.44	85.76
Fair Value of Plan Assets at the end of the Year	222.53	173.83	137.15	85.38	76.11
Amount Recognized in the Restated Standalone Summary Statement of Assets and Liabilities :	**25.48**	**44.58**	**41.36**	**53.07**	**9.65**

(₹ in millions)

Expense Recognized in the Restated Standalone Summary Statement of Profit and Loss:	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Current Service Cost	23.05	16.98	14.89	10.76	10.39
Interest Cost	15.86	14.25	10.96	7.98	6.08
Expected Return on Plan Assets	(12.62)	(10.94)	(6.76)	(6.62)	(4.93)
Net Actuarial (Gain) / Loss to be Recognized	(0.81)	24.30	22.27	40.94	(1.89)
Expense recognized in the Restated Standalone Summary Statement of Profit and Loss under 'Employee Benefits Expenses'	**25.48**	**44.58**	**41.36**	**53.07**	**9.65**

(₹ in millions)

Reconciliation of the Liability Recognized in the Restated Standalone Summary Statement of Assets and Liabilities	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Opening Net Liability	44.58	41.36	53.07	9.65	17.05
Expense recognized	25.48	44.58	41.36	53.07	9.65
Contribution by the Company	(44.58)	(41.36)	(53.07)	(9.65)	(17.05)
Amount recognized in the Restated Standalone Summary Statement of Assets and Liabilities as Liability	**25.48**	**44.58**	**41.36**	**53.07**	**9.65**

(₹ in millions)

Net Actuarial (Gain) / Loss Recognized	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Actuarial (Gain) / Loss on Plan Assets	1.57	0.30	(2.14)	(0.17)	(0.75)
Actuarial (Gain) / Loss on Defined Benefit Obligation	(2.39)	23.99	24.41	41.11	(1.14)
Net Actuarial (Gain) / Loss Recognized	**(0.81)**	**24.30**	**22.27**	**40.94**	**(1.89)**

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Liability at the end of the year	248.01	218.41	178.51	138.44	85.76
Fair Value of Plan Assets at the end of the year	222.53	173.83	137.15	85.38	76.11
Amount recognized in the Restated Standalone Summary Statement of Assets and Liabilities as Liability	25.48	44.58	41.36	53.07	9.65
Experience Adjustment:					
(Gains) / Losses on Plan Liabilities	3.73	14.36	16.52	5.38	8.15
(Gains) / Losses on Plan Assets	1.57	0.30	(2.14)	(0.17)	(0.75)
Estimated Contribution for next year	36.88	32.27	26.05	22.97	20.69

(₹ in millions)

Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2009
Liability at the end of the year	73.75	60.30	45.92	29.56	23.04
Fair Value of Plan Assets at the end of the year	56.70	50.38	34.88	31.35	17.81
Amount recognized in the Restated Standalone Summary Statement of Assets and Liabilities as liability	17.05	9.91	11.04	(1.79)	5.24
Experience Adjustment:					
(Gains) / Losses on Plan Liabilities	4.45	5.70	7.01	*	*
(Gains) / Losses on Plan Assets	(0.48)	(2.88)	2.13	*	*
Estimated Contribution for next year	18.80	16.69	7.40	*	*

*Experience adjustment details for financial years earlier than 2010-11 are not disclosed as it was not made available to the Company by the erstwhile insurance company.

Investment Pattern:

(% invested)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Money Market Instruments and Public Deposits	100	100	100	100	100

Actuarial Assumptions:

Actuarial valuation was performed in respect of the aforesaid defined benefit plan based on the following assumptions:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Discount Rate	7.71% p.a.	7.26% p.a.	7.98% p.a.	7.92% p.a.	9.31% p.a.
Return on Plan Assets	7.71% p.a.	7.26% p.a.	7.98% p.a.	7.92% p.a.	8.70% p.a.
Compensation Escalation Rate	6.00% p.a.	6.00% p.a.	5.00% p.a.	5.00% p.a.	5.00% p.a.
Average Age	33.68 Years	34.34 Years	34.51 Years	34.49 Years	33.67 Years
Mortality Basis	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

2 Segmental Reporting

In accordance with the Accounting Standard on "Segment Reporting" (AS-17), the Company has determined business segments as under:

The Company's operations predominantly relate to providing Asset Management Services. It acts as an Investment Manager to schemes launched by HDFC Mutual Fund. It also provides Portfolio Management Services (PMS) and Other Advisory Services to Corporates and High Net Worth Individuals. Accordingly, the Company has recognized 'Mutual Fund' and 'Portfolio Management & Other Advisory' as Primary business segments. Secondary segment reporting does not require separate disclosure as most of the activities of the Company are within India.

The accounting principles used in the preparation of the Restated Standalone Summary Financial Information are also consistently applied to record income and expenditure of individual segments. These are as set out in the summary of significant accounting policies.

The basis of reporting is as follows:

1. Revenue and expenses distinctly identifiable to a segment are recognized in that segment.
2. Certain expenses are not specifically allocable to specific segments as the underlying services are used interchangeably. Hence it is not practical to provide segment disclosures relating to such items and accordingly they are separately disclosed as "unallocable expenses".
3. Fixed assets used in the Company's business have not been identified to any of the reportable segments, as the fixed assets and services are used interchangeably between the segments. Accordingly, depreciation / amortization has been treated as an unallocable expense.
4. Assets and liabilities to the extent directly identifiable to a business segment have been categorized as "Allocable assets/liabilities", others have been shown as "Unallocable assets/liabilities".
5. Other balance sheet items such as investments and deferred tax asset are similarly not allocated to business segments.

(₹ in millions)

	Year Ended March 31, 2018			Year Ended March 31, 2017		
	Mutual Fund	Portfolio Management & Other Advisory	Total	Mutual Fund	Portfolio Management & Other Advisory	Total
Segment Revenue						
Management Fees	17,364.79	232.72	17,597.51	14,284.53	515.82	14,800.35
Inter Segment Revenue	-	-	-	-	-	-
Total Segment Revenue	**17,364.79**	**232.72**	**17,597.51**	**14,284.53**	**515.82**	**14,800.35**
Identifiable Operating Expenses	6,939.80	145.65	7,085.45	6,811.17	207.47	7,018.64
Segmental Operating Income	**10,424.99**	**87.07**	**10,512.06**	**7,473.36**	**308.35**	**7,781.71**
Unallocable Expenses			961.86			862.45
Operating Income			**9,550.20**			**6,919.26**
Other Income			1,074.95			1,078.75
Net Profit Before Tax			**10,625.15**			**7,998.01**
Provision For Income Tax			3,412.78			2,450.18
Deferred Tax Expense / (Credit)			(3.79)			45.37
Net Profit After Tax			**7,216.16**			**5,502.46**
Segment Assets And Liabilities						
Segment Assets	2,891.65	204.48	3,096.13	2,412.82	459.97	2,872.79
Unallocated Assets			20,610.07			13,123.11
Total Assets			**23,706.20**			**15,995.90**
Segment Liabilities	1,885.71	72.12	1,957.83	1,385.15	149.38	1,534.53
Unallocated Liabilities			148.69			231.94
Total Liabilities			**2,106.52**			**1,766.47**
Capital Expenditure			130.54			120.71
Depreciation			114.40			119.64

(₹ in millions)

	Year Ended March 31, 2016			Year Ended March 31, 2015		
	Mutual Fund	Portfolio Management & Other Advisory	Total	Mutual Fund	Portfolio Management & Other Advisory	Total
Segment Revenue						
Management Fees	12,097.36	2,328.09	14,425.45	9,208.79	1,015.59	10,224.38
Inter Segment Revenue	-	-	-	-	-	-
Total Segment Revenue	**12,097.36**	**2,328.09**	**14,425.45**	**9,208.79**	**1,015.59**	**10,224.38**
Identifiable Operating Expenses	5,802.96	1,270.10	7,073.06	3,139.79	568.42	3,708.21
Segmental Operating Income	**6,294.40**	**1,057.99**	**7,352.39**	**6,069.00**	**447.17**	**6,516.17**
Unallocable Expenses			787.86			708.59
Operating Income			**6,564.53**			**5,807.58**
Other Income			517.97			418.38
Net Profit Before Tax			**7,082.50**			**6,225.96**
Provision For Income Tax			2,309.80			2,075.66
Deferred Tax Expense / (Credit)			(6.10)			(4.70)
Net Profit After Tax			**4,778.80**			**4,155.00**
Segment Assets And Liabilities						
Segment Assets	2,876.33	86.51	2,962.84	4,313.19	1,715.74	6,028.93
Unallocated Assets			11,264.33			7,088.57
Total Assets			**14,227.17**			**13,117.50**
Segment Liabilities	1,138.89	68.12	1,207.01	1,239.02	422.75	1,661.77
Unallocated Liabilities			1,507.92			256.80
Total Liabilities			**2,714.93**			**1,918.57**
Capital Expenditure			84.27			161.95
Depreciation			110.60			101.39

(₹ in millions)

	Year Ended March 31, 2014		
	Mutual Fund	Portfolio Management & Other Advisory	Total
Segment Revenue			
Management Fees	7,150.17	1,435.30	8,585.47
Inter Segment Revenue	-	-	-
Total Segment Revenue	**7,150.17**	**1,435.30**	**8,585.47**
Identifiable Operating Expenses	2,292.34	828.95	3,121.29
Segmental Operating Income	**4,857.83**	**606.35**	**5,464.18**
Unallocable Expenses			685.34
Operating Income			**4,778.84**
Other Income			445.67
Net Profit Before Tax			**5,224.51**
Provision For Income Tax			1,646.88
Deferred Tax Expense / (Credit)			(0.07)
Net Profit After Tax			**3,577.70**
Segment Assets And Liabilities			
Segment Assets	2,059.48	1,022.39	3,081.87
Unallocated Assets			8,131.49
Total Assets			**11,213.36**
Segment Liabilities	1,384.24	559.75	1,943.99
Unallocated Liabilities			256.77
Total Liabilities			**2,200.76**
Capital Expenditure			176.99
Depreciation			84.45

3 Related Party Transactions

As per the Accounting Standard on "Related Party Disclosures" (AS-18), the related parties of the Company, with whom the Company has entered into a transaction during the respective years are as follows:

A) Holding Company : Housing Development Finance Corporation Limited

B) Investing Party : Standard Life Investments Limited

C) Subsidiary Company : HDFC Asset Management Company (Singapore) Pte Ltd. (up to 15 May, 2013)

D) Fellow Subsidiaries where Company has transactions during the years:

HDFC Trustee Company Limited

HDFC Standard Life Insurance Company Limited

HDFC ERGO General Insurance Company Limited

HDFC Realty Limited (upto 24 January, 2018)

HDFC Capital Advisors Limited (w.e.f 5 May, 2015)

E) Key Management Personnel : Mr. Milind Barve, Managing Director

The nature and volume of transactions of the Company with the above related parties were as follows:

(₹ in millions)

Particulars	Year	Holding Company	Investing Party	Fellow Subsidiaries ^
INCOME				
Management Fees	Year Ended March 31, 2018	-	19.12	-
	Year Ended March 31, 2017	-	8.69	-
	Year Ended March 31, 2016	-	5.58	-
	Year Ended March 31, 2015	-	5.08	-
	Year Ended March 31, 2014	-	3.17	-
EXPENDITURE				
Rent	Year Ended March 31, 2018	123.09	-	-
	Year Ended March 31, 2017	117.53	-	-
	Year Ended March 31, 2016	117.21	-	-
	Year Ended March 31, 2015	100.27	-	-
	Year Ended March 31, 2014	111.68	-	-
Advisory Fee	Year Ended March 31, 2018	-	-	-
	Year Ended March 31, 2017	-	-	-
	Year Ended March 31, 2016	28.66	-	-
	Year Ended March 31, 2015	59.77	-	-
	Year Ended March 31, 2014	78.46	-	-
Technology Support Cost	Year Ended March 31, 2018	18.46	-	-
	Year Ended March 31, 2017	17.49	-	-
	Year Ended March 31, 2016	15.58	-	-
	Year Ended March 31, 2015	14.36	-	-
	Year Ended March 31, 2014	13.39	-	-
Administrative & Other Expenses	Year Ended March 31, 2018	21.28	-	-
	Year Ended March 31, 2017	31.76	-	-
	Year Ended March 31, 2016	41.06	-	-
	Year Ended March 31, 2015	29.45	-	-
	Year Ended March 31, 2014	10.00	-	-
Insurance Premium	Year Ended March 31, 2018	-	-	9.93
	Year Ended March 31, 2017	-	-	9.00
	Year Ended March 31, 2016	-	-	8.34
	Year Ended March 31, 2015	-	-	8.56
	Year Ended March 31, 2014	-	-	7.74
Brokerage Charges	Year Ended March 31, 2018	-	-	0.04
	Year Ended March 31, 2017	-	-	0.42
	Year Ended March 31, 2016	-	-	0.09
	Year Ended March 31, 2015	-	-	-
	Year Ended March 31, 2014	-	-	-
Performance Fee	Year Ended March 31, 2018	-	-	-
	Year Ended March 31, 2017	-	-	-
	Year Ended March 31, 2016	1,082.78	-	-
	Year Ended March 31, 2015	348.53	-	-
	Year Ended March 31, 2014	497.07	-	-

(₹ in millions)

Particulars	Year	Holding Company	Investing Party	Fellow Subsidiaries^
ASSETS				
Deposit	Year Ended March 31, 2018	-	-	-
	Year Ended March 31, 2017	-	-	-
	Year Ended March 31, 2016	-	-	-
	Year Ended March 31, 2015	-	-	0.04
	Year Ended March 31, 2014	-	-	0.00
Account Receivable	Year Ended March 31, 2018	17.20	39.11	19.59
	Year Ended March 31, 2017	-	2.82	15.84
	Year Ended March 31, 2016	-	1.07	31.55
	Year Ended March 31, 2015	-	1.65	57.33
	Year Ended March 31, 2014	-	0.54	59.03
Prepaid Insurance Premium	Year Ended March 31, 2018	-	-	11.74
	Year Ended March 31, 2017	-	-	5.78
	Year Ended March 31, 2016	-	-	5.78
	Year Ended March 31, 2015	-	-	5.34
	Year Ended March 31, 2014	-	-	6.48
LIABILITIES				
Account Payable	Year Ended March 31, 2018	16.17	-	-
	Year Ended March 31, 2017	4.48	-	-
	Year Ended March 31, 2016	1,092.58	-	0.09
	Year Ended March 31, 2015	352.68	-	-
	Year Ended March 31, 2014	504.08	-	-
OTHER TRANSACTIONS				
Purchase of Fixed Assets	Year Ended March 31, 2018	0.70	-	0.05
	Year Ended March 31, 2017	2.50	-	-
	Year Ended March 31, 2016	3.02	-	-
	Year Ended March 31, 2015	0.60	-	-
	Year Ended March 31, 2014	1.20	-	-
Interim Equity Dividend Paid	Year Ended March 31, 2018	1,932.36	1,288.24	-
	Year Ended March 31, 2017	1,388.89	925.92	-
	Year Ended March 31, 2016	1,207.73	805.15	-
	Year Ended March 31, 2015	981.28	654.19	-
	Year Ended March 31, 2014	754.83	503.22	-
Sale of Fixed Assets	Year Ended March 31, 2018	-	-	-
	Year Ended March 31, 2017	-	-	0.12
	Year Ended March 31, 2016	-	-	-
	Year Ended March 31, 2015	-	-	-
	Year Ended March 31, 2014	-	-	-

^Details of transactions with fellow subsidiaries are as follows:

(₹ in millions)

Pariculars / Year	HDFC Realty Limited	HDFC Trustee Company Limited	HDFC Standard Life Insurance Company Limited	HDFC Capital Advisors Limited	HDFC ERGO General Insurance Company Limited
Insurance Premium					
Year Ended March 31, 2018	-	-	3.99	-	5.94
Year Ended March 31, 2017	-	-	3.01	-	5.99
Year Ended March 31, 2016	-	-	2.77	-	5.57
Year Ended March 31, 2015	-	-	1.86	-	6.70
Year Ended March 31, 2014	-	-	0.79	-	6.94
Brokerage Charges					
Year Ended March 31, 2018	0.04	-	-	-	-
Year Ended March 31, 2017	0.42	-	-	-	-
Year Ended March 31, 2016	0.09	-	-	-	-
Account Receivable					
Year Ended March 31, 2018	-	15.02	4.57	-	-
Year Ended March 31, 2017	-	15.77	0.07	-	-
Year Ended March 31, 2016	-	31.52	0.03	-	-
Year Ended March 31, 2015	-	57.33 *	-	-	-
Year Ended March 31, 2014	-	59.03 *	-	-	-
Prepaid Insurance Premium					
Year Ended March 31, 2018	-	-	0.15	-	11.59
Year Ended March 31, 2017	-	-	0.03	-	5.74
Year Ended March 31, 2016	-	-	0.03	-	5.74
Year Ended March 31, 2015	-	-	0.02	-	5.32
Year Ended March 31, 2014	-	-	0.01	-	6.47
Deposit					
Year Ended March 31, 2015	-	-	0.04	-	-
Year Ended March 31, 2014	-	-	0.00	-	-
Account Payable					
Year Ended March 31, 2016	0.09	-	-	-	-
Sale of Fixed Assets					
Year Ended March 31, 2017	-	-	-	0.12	-
Purchase of Fixed Assets					
Year Ended March 31, 2018	-	-	-	-	0.05

Amount receivable from HDFC Trustee Company Limited is towards reimbursement of expenses. (*Includes an amount of ₹25.86 million as per note 15 of this annexure).

Reimbursement of expenses to / (from) the Holding Company, not considered above, are as follows:

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Reimbursement to / (from)	(2.01)	-	(1.50)	0.08	4.49

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Remuneration to Key Management Personnel	70.49	67.34	62.54	65.35	58.98
Interim Equity Dividend Paid	16.64	-	-	-	-

The above remuneration excludes perquisite value towards the value of stock options exercised which were granted under various Employees Stock Option Schemes. The details of the same are as follows:

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Perquisite Value	210.40	-	199.65	-	-

4 Operating Leases

The Company has entered into non-cancellable leasing arrangements for certain premises. The total lease payments recognized in the Restated Standalone Summary Statement of Profit and Loss towards the said leases and the future lease payments in respect of the same are as follows:

Lease payments recognized in the Restated Standalone Summary Statement of Profit and Loss:

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Expenditure	15.14	27.20	13.99	15.36	21.08

The future lease payments in respect of the above are as follows:

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Not later than one year	23.11	19.63	14.50	12.95	21.33
Later than one year but not later than five years	16.65	11.36	21.87	26.13	17.12
Later than five years	-	-	-	-	-

5 Earnings Per Equity Share

In accordance with the Accounting Standard on “Earnings Per Share” (AS-20):

(i) The basic earnings per equity share has been calculated based on the restated net profit after tax and number of weighted average equity shares outstanding during the year.

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Restated Net Profit After Tax	7,216.16	5,502.46	4,778.80	4,155.00	3,577.70
Weighted Average Equity Shares outstanding (Nos)	206,033,611	201,324,608	202,163,552	201,926,400	202,003,936

(ii) Following is the reconciliation between basic and diluted earnings per equity share:

(Amount in ₹)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Nominal value per share	5.00	5.00	5.00	5.00	5.00
Basic earnings per share	35.02	27.33	23.64	20.58	17.71
Effect of potential equity shares for stock options (per share)	(0.06)	(0.28)	(0.08)	(0.27)	(0.11)
Diluted earnings per share	34.96	27.05	23.56	20.31	17.60

Basic earnings per equity share has been computed by dividing restated net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share has been computed by dividing restated net profit after tax by the sum of weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The relevant details as described above are as follows:

A= Weighted average number of equity shares used in computing basic earnings per equity share
B= Effect of potential equity shares for stock options outstanding
C= Weighted average number of equity shares used in computing diluted earnings per equity share

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
A	206,033,611	201,324,608	202,163,552	201,926,400	202,003,936
B	363,533	2,055,352	681,352	2,639,800	1,244,920
C	206,397,144	203,379,960	202,844,904	204,566,200	203,248,856

The shareholders of the Company had, at the Extraordinary General Meeting (EGM) held on February 06, 2018, accorded their consent to the following:

1. Increase in the authorized share capital of the Company from ₹800 million divided into 30,000,000 equity shares of ₹10 each and 50,000,000 preference shares of ₹10 each to ₹3,500 million divided into 300,000,000 equity shares of ₹10 each and 50,000,000 preference shares of ₹10 each.

2. Issue and allotment of bonus shares in the ratio of 3 equity shares of ₹10 each for every 1 equity share of ₹10 each. The record date for the issue of bonus shares was February 05, 2018.

3. Sub division of the authorized and issued share capital of the Company by decreasing the face value of the equity share from ₹10 each to ₹5 each. The record date for the sub division was February 13, 2018.

4. Accordingly, the revised authorised share capital of the Company now stands at ₹3,500 million divided into 600,000,000 equity shares of ₹5 each and 50,000,000 preference shares of ₹10 each and issued, subscribed and paid up share capital at ₹1,052.78 million comprising of 210,555,200 equity shares of ₹5 each.

Under the bonus issue and the share split, equity shares were issued to existing shareholders for no additional consideration and hence, the number of equity shares outstanding increased without an increase in resources. As per AS-20, the number of equity shares outstanding before such event is to be adjusted for the proportionate change in the number of equity shares outstanding as if such event had occurred at the beginning of the earliest period reported. Pursuant to the shareholders' consent to the issue of bonus equity shares and sub division of the equity shares (hereinafter referred to as the 'corporate action') at the EGM mentioned above, number of equity shares outstanding during the previous years, which were considered for the computation of Basic earnings per share (as reported and pro forma) and Diluted earnings per share (as reported and pro forma) have been adjusted in the financial statements for all the periods presented.

6 Deferred Tax

In compliance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22), the Company has made net deferred tax adjustment as per details given below. The net amount has been (Debited) / Credited to the Restated Standalone Summary Statement of Profit and Loss.

(₹ in millions)

Description	As on March 31, 2013	For the Year Ended March 31, 2014	As on March 31, 2014	For the Year Ended March 31, 2015	As on March 31, 2015
Assets					
Depreciation	76.77	1.14	77.91	3.56	81.47
Provision for Contingencies	50.99	-	50.99	0.93	51.91
Others	1.74	(1.29)	0.44	0.01	0.45
Total	**129.49**	**(0.15)**	**129.34**	**4.49**	**133.83**
Liabilities	-	-	-	-	-
Others	1.46	(0.22)	1.23	(0.20)	1.03
Net Deferred Tax Asset	**128.03**	**0.07**	**128.11**	**4.70**	**132.80**

(₹ in millions)

Description	As on March 31, 2015	For the Year Ended March 31, 2016	As on March 31, 2016	For the Year Ended March 31, 2017	As on March 31, 2017	For the Year Ended March 31, 2018	As on Mar 31, 2018
Assets							
Depreciation	81.47	3.86	85.33	4.15	89.47	4.74	94.21
Provision for Contingencies	51.91	-	51.91	(51.91)	-	-	-
Others	0.45	2.01	2.46	3.00	5.46	0.66	6.12
Total	**133.83**	**5.87**	**139.70**	**(44.77)**	**94.93**	**5.40**	**100.33**
Liabilities	-	-	-	-	-	-	-
Others	1.03	(0.23)	0.80	0.60	1.40	1.61	3.01
Net Deferred Tax Asset	**132.80**	**6.10**	**138.90**	**(45.37)**	**93.53**	**3.79**	**97.32**

7 Provisions

In compliance with the Accounting Standard on "Provisions, Contingent Liabilities and Contingent Assets" (AS-29), balance under Provision for Contingencies represented provision against all contingencies in the business such as open matters with the regulators and claims, if any, with regards to the PMS business. Movement in Provision for Contingencies account was as under:

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Carrying Amount at the beginning	-	150.00	150.00	150.00	150.00
Additions	-	-	-	-	-
Amounts used	-	-	-	-	-
Amounts reversed	-	150.00	-	-	-
Carrying Amount at the end	-	-	150.00	150.00	150.00

8 Contingent Liabilities and Commitments

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Disputed Income Tax demand	6.43	2.66	2.66	2.66	14.88
Estimate of Claims against the Company not acknowledged as debts	-	-	3.46	-	-
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	598.51	416.94	270.26	16.30	93.56

9 Sundry Creditors

Sundry Creditors do not include any amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMEDA) which came into force from October 02, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to the Micro, Small and Medium enterprises, which have registered with the competent authorities. The table below applies to years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014.

Particulars	(₹ in millions)
Principal amount remaining unpaid to any supplier as at the year end	-
Interest due thereon	-
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-

10 Accounting for Employee Share Based Payments

Under Employees Stock Option Scheme 2017 – Series II (ESOS 2017 – Series II), the Company had on 17 January 2018 granted 6,000 stock options at an exercise price of ₹7,936/- per option, representing 6,000 equity shares of ₹10/- each to few employees of the Company. The fair value of the Company's underlying equity shares was determined in accordance with the pricing formula approved by the Nomination & Remuneration Committee of the Board of Directors of the Company ('Nomination & Remuneration Committee') i.e. based on the Price Earning Multiple method and the Assets Under Management (AUM) method.

In terms of ESOS 2017 – Series II, the options vest over a period of 1-2 years from the date of grant. The options can be exercised over a period of five years from the date of vesting.

Under Employees Stock Option Scheme 2017 – Series I (ESOS 2017 – Series I), the Company had on 28 July 2017 granted 158,875 stock options at an exercise price of ₹5,353/- per option, representing 158,875 equity shares of ₹10/- each to few employees and directors of the Company. The fair value of the Company's underlying equity share was determined in accordance with the pricing formula approved by the Nomination and Remuneration Committee i.e. based on the Price Earning Multiple method and the Assets Under Management (AUM) method.

In terms of ESOS 2017 – Series I, the options vest over a period of 1-2 years from the date of grant. The options can be exercised over a period of five years from the date of vesting.

Under Employees Stock Option Scheme 2015 – Series III (ESOS 2015 – Series III), the Company had on 16 March 2017 granted 14,000 stock options at an exercise price of ₹4,721/- per option, representing 14,000 equity shares of ₹10/- each to few employees of the Company. The fair value of the Company's underlying equity share was determined in accordance with the pricing formula approved by the Nomination and Remuneration Committee i.e. based on the Price Earning Multiple method and the Assets Under Management (AUM) method.

In terms of ESOS 2015 – Series III, the options vest over a period of 1-2 years from the date of grant. The options can be exercised over a period of five years from the date of vesting.

Under Employees Stock Option Scheme 2015 – Series II (ESOS 2015 – Series II), the Company had on 22 June 2016 granted 7,000 stock options at an exercise price of ₹4,078/- per option, representing 7,000 equity shares of ₹10/- each to few employees of the Company. The fair value of the Company's underlying equity share was determined in accordance with the pricing formula approved by the Nomination and Remuneration Committee i.e. based on the Price Earning Multiple method and the Assets Under Management (AUM) method.

In terms of ESOS 2015 – Series II, the options vest over a period of 1-2 years from the date of grant. The options can be exercised over a period of three years from the date of vesting.

Under Employees Stock Option Scheme 2015 – Series I (ESOS 2015 – Series I), the Company had on 10 December 2015 granted 1,000,000 stock options at an exercise price of ₹3,944/- per option, representing 1,000,000 equity shares of ₹10/- each to few employees and directors of the Company. The fair value of the Company's underlying equity share was determined in accordance with the pricing formula approved by the Nomination and Remuneration Committee i.e. based on the Price Earning Multiple method and the Assets Under Management (AUM) method.

In terms of ESOS 2015 – Series I, the options vest over a period of 1-2 years from the date of grant. The options can be exercised over a period of three years from the date of vesting.

Under Employees Stock Option Scheme 2013 – Series I (ESOS 2013 – Series I), the Company had on 26 June 2013 granted 22,000 stock options at an exercise price of ₹2,496/- per option, representing 22,000 equity shares of ₹10/- each to few employees of the Company. The fair value of the Company's underlying equity share was determined in accordance with the pricing formula approved by the Remuneration Committee of the Board of Directors of the Company ('Remuneration Committee') i.e. based on the Price Earning Multiple method and the Assets Under Management (AUM) method.

In terms of ESOS 2013 – Series I, the options vest over a period of 1-2 years from the date of grant. The options can be exercised over a period of five years from the date of vesting.

Under Employees Stock Option Scheme 2012 – Series I (ESOS 2012 – Series I) and Employees Stock Option Scheme 2012 – Series II (ESOS 2012 – Series II), the Company had on 14 September 2012 granted 870,000 stock options at an exercise price of ₹2,129/- per option under ESOS 2012 – Series I, representing 870,000 equity shares of ₹10/- each and 90,000 stock options at an exercise price of ₹2,129/- per option under ESOS 2012 – Series II, representing 90,000 equity shares of ₹10/- each to few employees and directors of the Company. The fair value of the Company's underlying equity share was determined in accordance with the pricing formula approved by the Remuneration Committee i.e. based on the Price Earning Multiple method and the Assets Under Management (AUM) method.

In terms of ESOS 2012 – Series I and ESOS 2012 – Series II, the options vest over a period of 1-2 years and 3-4 years respectively from the date of grant. The options can be exercised over a period of five years from the date of respective vesting.

Under Employees Stock Option Scheme 2009 – Series I (ESOS 2009 – Series I), the Company had on 25 August 2009 granted 154,000 stock options at an exercise price of ₹527/- per option, representing 154,000 equity shares of ₹10/- each to few employees and directors of the Company. The fair value of the Company's underlying equity share was determined in accordance with the pricing formula approved by the Remuneration Committee i.e. based on the Profit Earning Capacity Valuation (PECV) method and the Assets Under Management (AUM) method.

In terms of ESOS 2009 – Series I, the options vest over a period of 1-2 years from the date of grant. The options can be exercised over a period of five years from the date of respective vesting.

Under Employees Stock Option Scheme 2008 – Series I (ESOS 2008 – Series I) and Employees Stock Option Scheme 2008 – Series II (ESOS 2008 – Series II), the Company had on 10 March 2008 granted

524,000 stock options at an exercise price of ₹390/- per option under ESOS 2008 – Series I, representing 524,000 equity shares of ₹10/- each and 1,076,000 stock options at an exercise price of ₹750/- per option under ESOS 2008 – Series II, representing 1,076,000 equity shares of ₹10/- each to few employees and directors of the Company. The fair value of the Company's underlying equity share was determined in accordance with the pricing formula approved by the Remuneration Committee i.e. based on the Profit Earning Capacity Valuation (PECV) method and the Assets Under Management (AUM) method.

In terms of ESOS 2008 – Series I and ESOS 2008 – Series II, the options vest over a period of 3-4 years from the date of grant. The options can be exercised over a period of five years from the date of respective vesting.

Pursuant to the terms of respective Employees Stock Option Schemes (ESOS), in case of a corporate action like bonus shares, rights issue, buyback of shares, split of shares, reduction of capital etc., the number of options outstanding as at the date of the corporate action and the exercise price under all the relevant ESOS shall stand modified accordingly, so as to ensure that the paid-up value of the total shares that can be issued under them remains unchanged. Accordingly, the Nomination and Remuneration Committee of the Company has resolved, vide its circular resolution passed in February 2018, to make appropriate adjustments to the outstanding options and now each option represents one equity share of ₹5 each.

Comparison of exercise price per option:

(Amount in ₹)

Name of the Series	Pre corporate action	Post corporate action
ESOS 2008 Series I	390	49
ESOS 2008 Series II	750	94
ESOS 2009 Series I	527	66
ESOS 2012 Series I	2,129	266
ESOS 2012 Series II	2,129	266
ESOS 2013 Series I	2,496	312
ESOS 2015 Series I	3,944	493
ESOS 2015 Series II	4,078	510
ESOS 2015 Series III	4,721	590
ESOS 2017 Series I	5,353	669
ESOS 2017 Series II	7,936	992

Modifications, if any, made to the terms and conditions of Employees Stock Option Schemes (ESOSs), as approved by the Nomination and Remuneration Committee are disclosed separately.

The Remuneration Committee was renamed as Nomination & Remuneration Committee by the Board of Directors at their meeting held on 16th April, 2014.

The details of number of options vested are as follows:

Name of the Series	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
ESOS 2008 Series I	-	-	-	-	-
ESOS 2008 Series II	-	-	-	-	-
ESOS 2009 Series I	-	-	-	-	-
ESOS 2012 Series I	-	-	-	-	870,000
ESOS 2012 Series II	-	-	42,500	45,000	-
ESOS 2013 Series I	-	-	-	22,000	-
ESOS 2015 Series I	-	982,000	-	-	-
ESOS 2015 Series II	7,000	-	-	-	-
ESOS 2015 Series III	14,000	-	-	-	-
ESOS 2017 Series I	-	-	-	-	-
ESOS 2017 Series II	-	-	-	-	-

The details of number of options vested and lapsed are as follows:

Name of the Series	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
ESOS 2008 Series I	-	-	-	-	-
ESOS 2008 Series II	-	-	-	-	-
ESOS 2009 Series I	-	-	-	-	-
ESOS 2012 Series I	-	-	-	-	-
ESOS 2012 Series II	-	-	-	2,500	-
ESOS 2013 Series I	-	-	-	-	-
ESOS 2015 Series I	-	-	-	-	-
ESOS 2015 Series II	-	-	-	-	-
ESOS 2015 Series III	-	-	-	-	-
ESOS 2017 Series I	-	-	-	-	-
ESOS 2017 Series II	-	-	-	-	-

Method used for accounting for share based payment plan:

The Company has adopted intrinsic value method to account for the compensation cost of stock options granted to the employees and directors of the Company. Intrinsic value is the amount by which the fair value of the underlying equity share of the Company exceeds the exercise price of the option. Since options under ESOS 2008 – Series I were granted at an exercise price less than the fair value of the underlying equity shares of the Company, the intrinsic value of each option under ESOS 2008 – Series I was ₹360/-. Options under ESOS 2008 – Series II, ESOS 2009 – Series I, ESOS 2012 – Series I, ESOS 2012 – Series II, ESOS 2013 – Series I, ESOS 2015 – Series I, ESOS 2015 – Series II, ESOS 2015 – Series III, ESOS 2017 – Series I and ESOS 2017 – Series II were granted at the fair value of the underlying equity shares of the Company.

Movement in Employee Stock Option Schemes was as follows:

ESOS 2008 – Series I:

Particulars	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**	**Year Ended March 31, 2016**	**Year Ended March 31, 2015**	**Year Ended March 31, 2014**
Outstanding at the beginning of the year	-	-	-	-	-
Granted during the year	-	-	-	-	-
Exercised during the year	-	-	-	-	-
Lapsed during the year	-	-	-	-	-
Addition due to Corporate Action	-	-	-	-	-
Outstanding at the end of the year	-	-	-	-	-
Exercisable at the end of the year	-	-	-	-	-

ESOS 2008 – Series II:

Particulars	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**	**Year Ended March 31, 2016**	**Year Ended March 31, 2015**	**Year Ended March 31, 2014**
Outstanding at the beginning of the year	-	2,700	49,000	49,000	54,500
Granted during the year	-	-	-	-	-
Exercised during the year	-	2,700	46,300	-	5,500
Lapsed during the year	-	-	-	-	-
Addition due to Corporate Action	-	-	-	-	-
Outstanding at the end of the year	-	-	2,700	49,000	49,000
Exercisable at the end of the year	-	-	2,700	49,000	49,000

ESOS 2009 – Series I:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Outstanding at the beginning of the year	-	-	5,000	5,000	5,000
Granted during the year	-	-	-	-	-
Exercised during the year	-	-	5,000	-	-
Lapsed during the year	-	-	-	-	-
Addition due to Corporate Action	-	-	-	-	-
Outstanding at the end of the year	-	-	-	5,000	5,000
Exercisable at the end of the year	-	-	-	5,000	5,000

ESOS 2012 – Series I:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Outstanding at the beginning of the year	164,500	166,500	726,000	734,000	870,000
Granted during the year	-	-	-	-	-
Exercised during the year	164,500	-	559,500	-	136,000
Lapsed during the year	-	2,000	-	8,000	-
Addition due to Corporate Action	-	-	-	-	-
Outstanding at the end of the year	-	164,500	166,500	726,000	734,000
Exercisable at the end of the year	-	164,500	166,500	726,000	734,000

ESOS 2012 – Series II:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Outstanding at the beginning of the year	-	-	85,000	90,000	90,000
Granted during the year	-	-	-	-	-
Exercised during the year	-	-	85,000	-	-
Lapsed during the year	-	-	-	5,000	-
Addition due to Corporate Action	-	-	-	-	-
Outstanding at the end of the year	-	-	-	85,000	90,000
Exercisable at the end of the year	-	-	-	42,500	-

ESOS 2013 – Series I:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Outstanding at the beginning of the year	9,000	9,000	22,000	22,000	-
Granted during the year	-	-	-	-	22,000
Exercised during the year	9,000	-	13,000	-	-
Lapsed during the year	-	-	-	-	-
Addition due to Corporate Action	-	-	-	-	-
Outstanding at the end of the year	-	9,000	9,000	22,000	22,000
Exercisable at the end of the year	-	9,000	9,000	22,000	-

ESOS 2015 – Series I:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Outstanding at the beginning of the year	982,000	1,000,000	-	NA	NA
Granted during the year	-	-	1,000,000	NA	NA
Exercised during the year	972,000	-	-	NA	NA
Lapsed during the year	-	18,000	-	NA	NA
Addition due to Corporate Action	70,000	-	-	-	-
Outstanding at the end of the year	80,000	982,000	1,000,000	NA	NA
Exercisable at the end of the year	80,000	982,000	-	NA	NA

ESOS 2015 – Series II:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Outstanding at the beginning of the year	7,000	-	NA	NA	NA
Granted during the year	-	7,000	NA	NA	NA
Exercised during the year	7,000	-	NA	NA	NA
Lapsed during the year	-	-	NA	NA	NA
Addition due to Corporate Action	-	-	-	-	-
Outstanding at the end of the year	-	7,000	NA	NA	NA
Exercisable at the end of the year	-	-	NA	NA	NA

ESOS 2015 – Series III:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Outstanding at the beginning of the year	14,000	-	NA	NA	NA
Granted during the year	-	14,000	NA	NA	NA
Exercised during the year	-	-	NA	NA	NA
Lapsed during the year	-	-	NA	NA	NA
Addition due to Corporate Action	98,000	-	-	-	-
Outstanding at the end of the year	112,000	14,000	NA	NA	NA
Exercisable at the end of the year	112,000	-	NA	NA	NA

ESOS 2017 – Series I:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Outstanding at the beginning of the year	-	NA	NA	NA	NA
Granted during the year	158,875	NA	NA	NA	NA
Exercised during the year	-	NA	NA	NA	NA
Lapsed during the year	850	NA	NA	NA	NA
Addition due to Corporate Action	1,264,200	-	-	-	-
Lapsed after Corporate Action	2,400	-	-	-	-
Outstanding at the end of the year	1,261,800	NA	NA	NA	NA
Exercisable at the end of the year	-	NA	NA	NA	NA

ESOS 2017 – Series II:

Particulars	**Year Ended March 31, 2018**	**Year Ended March 31, 2017**	**Year Ended March 31, 2016**	**Year Ended March 31, 2015**	**Year Ended March 31, 2014**
Outstanding at the beginning of the year	-	NA	NA	NA	NA
Granted during the year	6,000	NA	NA	NA	NA
Exercised during the year	-	NA	NA	NA	NA
Lapsed during the year	-	NA	NA	NA	NA
Addition due to Corporate Action	42,000	-	-	-	-
Outstanding at the end of the year	48,000	NA	NA	NA	NA
Exercisable at the end of the year	-	NA	NA	NA	NA

Fair value methodology:

The fair value of options used to compute pro forma net income and earnings per equity share has been estimated on the date of grant using Black-Scholes model.

The key assumptions used in Black-Scholes model for calculating fair value under ESOS 2008 – Series I, ESOS 2008 – Series II, ESOS 2009 – Series I, ESOS 2012 – Series I, ESOS 2012 – Series II, ESOS 2013 – Series I, ESOS 2015 – Series I, ESOS 2015 – Series II, ESOS 2015 – Series III, ESOS 2017 – Series I and ESOS 2017 – Series II as on the date of grant were:

Particulars	**ESOS 2008–Series I**	**ESOS 2008–Series II**	**ESOS 2009–Series I**
Date of grant	10 March 2008	10 March 2008	25 August 2009
Risk-free interest rate	7.03% - 7.22% p.a.	7.03% - 7.22% p.a.	6.24% - 6.56% p.a.
Expected average life	4 - 6 years	4 - 6 years	3 - 5 years
Expected volatility	0%	0%	0%
Dividend yield	1.97% p.a.	1.97% p.a.	2.73% p.a.
Fair value of the option	₹407/-	₹155/-	₹66/-
Fair value of the option after corporate action	₹51/-	₹19/-	₹8/-

Particulars	**ESOS 2012–Series I**	**ESOS 2012–Series II**	**ESOS 2013–Series I**
Date of grant	14 September 2012	14 September 2012	26 June 2013
Risk-free interest rate	7.79% p.a.	7.82% - 7.85% p.a.	7.33% p.a.
Expected average life	3.54 years	4 - 6 years	3.76 years
Expected volatility	0%	0%	0%
Dividend yield	1.93% p.a.	1.93% p.a.	1.91% p.a.
Fair value of the option	₹373/-	₹497/-	₹429/-
Fair value of the option after corporate action	₹47/-	₹62/-	₹54/-

Particulars	ESOS 2015–Series I	ESOS 2015–Series II	ESOS 2015–Series III
Date of grant	10 December 2015	22 June, 2016	16 March, 2017
Risk-free interest rate	7.18% p.a.	6.81% p.a.	7.02% p.a.
Expected average life	2.5 years	2.5 years	3.5 years
Expected volatility	0%	0%	0%
Dividend yield	1.77% p.a.	1.80% p.a.	1.80% p.a.
Fair value of the option	₹478/-	₹459/-	₹740/-
Fair value of the option after corporate action	₹60/-	₹57/-	₹93/-

Particulars	ESOS 2017–Series I	ESOS 2017–Series II
Date of grant	28 July 2017	17 January 2018
Risk-free interest rate	6.66% p.a.	6.97% p.a.
Expected average life	3.5 Years	3.5 Years
Expected volatility	0%	40.67%
Dividend yield	1.86% p.a.	1.86% p.a.
Fair value of the option	₹777/-	₹2,726/-
Fair value of the option after corporate action	₹97/-	₹341/-

Details of modifications in terms and conditions of ESOS':

The Nomination & Remuneration Committee at its meeting held on 20 July 2016 had approved few modifications, viz; change in nomenclature of Employees Stock Option Scheme 2015 (ESOS 2015) to Employees Stock Option Scheme 2015 – Series I (ESOS 2015 – Series I) and change in the period over which, the options granted under ESOS 2015 – Series I and ESOS 2015 – Series II, can be exercised from the date of their respective vesting.

By virtue of the said modifications, the options granted under ESOS 2015 – Series I and ESOS 2015 – Series II can now be exercised over a period of five years from the date of respective vesting. There was no change in any other parameters of these schemes.

The options thus modified have been fair valued as at 20 July 2016, being the modification date. The key assumptions considered in the pricing model for calculating fair value under ESOS 2015 – Series I and ESOS 2015 – Series II as on the date of modification were:

Particulars	ESOS 2015 – Series I		ESOS 2015 – Series II	
	Original Terms	Modified Terms	Original Terms	Modified Terms
Risk-free interest rate	6.60% p.a.	6.70% p.a.	6.66% p.a.	6.74% p.a.
Expected average life	1.89 years	2.89 years	2.42 years	3.42 years
Expected volatility	0%	0%	0%	0%
Dividend yield	1.80% p.a.	1.80% p.a.	1.80% p.a.	1.80% p.a.
Fair value of the option	₹511/-	₹672/-	₹484/-	₹646/-
Fair value of the option after corporate action	₹64/-	₹84/-	₹61/-	₹81/-

The incremental share based compensation determined under fair value method amounts to ₹161/- (₹20/- post corporate action) per option under ESOS 2015 – Series I and ₹162/- (₹20/- post corporate action) per option under ESOS 2015 – Series II. The incremental fair value granted is taken into consideration for the purpose of computing the pro forma net income and earnings per equity share.

The Remuneration Committee at its meeting held on 25 August 2009 had approved few modifications in exercise price and vesting schedule of the options granted under ESOS 2008 – Series I and ESOS 2008 – Series II. Based on an independent valuation of the fair value of the underlying equity shares of the Company, the exercise price of ₹390/- per option under ESOS 2008 – Series I and exercise price of

₹750/- per option under ESOS 2008 – Series II was revised to ₹274/- per option under ESOS 2008 – Series I and to ₹527/- per option under ESOS 2008 – Series II. The fair value of the Company's underlying equity shares was determined in accordance with the pricing formula approved by the Remuneration Committee i.e. based on the Profit Earning Capacity Valuation (PECV) method and the Assets Under Management (AUM) method.

Comparison of exercise price per option:

(Amount in ₹)

Name of the Series	Pre corporate action	Post corporate action
ESOS 2008 Series I	274	34
ESOS 2008 Series II	527	66

The options granted under ESOS 2008 – Series I and ESOS 2008 – Series II vest over a period of 3-4 years from the date of grant and can be exercised over a period of five years from the date of respective vesting.

Since options under ESOS 2008 – Series I were granted at an exercise price less than the fair value of the underlying equity shares of the Company, the intrinsic value of each option under ESOS 2008 – Series I stands revised to ₹253/-. Options under ESOS 2008 – Series II were granted at the fair value of the underlying equity shares of the Company.

The options thus modified have been fair valued as at 25 August 2009, being the modification date. The key assumptions considered in the pricing model for calculating fair value under ESOS 2008 – Series I and ESOS 2008 – Series II as on the date of modification were:

Particulars	**ESOS 2008 – Series I**		**ESOS 2008 – Series II**	
	Original Terms	**Modified Terms**	**Original Terms**	**Modified Terms**
Risk-free interest rate	5.85%-6.56% p.a.	6.24%-6.56% p.a.	5.85%-6.56% p.a.	6.24%-6.56% p.a.
Expected average life	2 – 5 years	3 – 5 years	2 – 5 years	3 - 5 years
Expected volatility	0%	0%	0%	0%
Dividend yield	2.73% p.a.	2.73% p.a.	2.73% p.a.	2.73% p.a.
Fair value of the option	₹166/-	₹261/-	-	₹66/-
Fair value of the option after corporate action	₹21/-	₹33/-	₹Nil	₹8/-

The incremental share based compensation determined under fair value method amounts to ₹95/- (₹12/- post corporate action) per option under ESOS 2008 – Series I and ₹66/- (₹8/- post corporate action) per option under ESOS 2008 – Series II. The incremental fair value granted is taken into consideration for the purpose of computing the pro forma net income and earnings per equity share.

Impact of fair value method on net profit and earning per share:

Had compensation cost for the Company's stock options outstanding been determined based on the fair value approach, the Company's restated net profit and earning per share would have been as per the pro forma amounts indicated below:

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Restated Net Profit (as reported)	7,216.16	5,502.46	4,778.80	4,155.00	3,577.70
Add: Stock-based employee compensation expense (after tax) included in the net income #	-	-	-	-	-
Less: Stock-based employee compensation expense (after tax) determined under fair value based method (pro forma) ^	63.38	316.57	98.65	9.42	15.96
Restated Net Profit (pro forma)	7,152.78	5,185.89	4,680.15	4,145.58	3,561.74

Following are the details of compensation expenses before tax:

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
# Stock-based employee compensation expense	-	-	-	-	-
^ Stock-based employee compensation expense determined under fair value based method (pro forma)	96.93	484.11	150.86	14.28	23.97

(Amount in ₹)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Basic earning per share (as reported)	35.02	27.33	23.64	20.58	17.71
Basic earning per share (pro forma)*	34.72	25.76	23.15	20.53	17.63
Diluted earning per share (as reported)	34.96	27.05	23.56	20.31	17.60
Diluted earning per share (pro forma)*	34.66	25.50	23.07	20.27	17.53

*Adjusted for corporate action.

11 Income in Foreign Currency

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Investment Advisory Fee	140.91	452.24	8.76	8.92	9.02
Interest Income	0.02	0.02	0.01	0.02	0.02

12 Payments in Foreign Currency

A) Expenditure (on accrual basis)

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
i) Travelling Expenses	0.55	0.73	0.93	0.30	0.65
ii) Overseas Representative Office Expenses	27.72	23.49	15.45	12.89	12.78
iii) Business Promotion	133.62	62.80	61.06	49.38	22.01
iv) Subscription	5.99	6.59	-	-	-
v) Professional Fees	-	0.53	-	-	4.11
vi) Staff Training Expenses	-	-	-	-	0.69

B) Dividend

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Interim Dividend on Equity Shares:					
(a) Year to which the dividend relates	2017-18	2016-17	2015-16	2014-15	2013-14
(b) Number of non-resident shareholders	1	1	1	1	1
(c) Number of Shares held*	80,515,200	10,064,400	10,064,400	10,064,400	10,064,400
(d) Amount Remitted (Gross)	1,288.24	925.92	805.15	654.19	503.22

*The number of shares have changed in the year ended March 31, 2018 as a result of the corporate action.

13 The details of gross amount required to be spent by the Company during the year and amount spent/accrued towards Corporate Social Responsibility as per Section 135(5) of the Companies Act, 2013 are as per the table below. These amounts were spent on purposes other than construction / acquisition of any asset.

(₹ in millions)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015	Year Ended March 31, 2014
Amount required to be spent	135.42	120.21	100.75	84.33	NA
Amount spent	169.86	123.34	90.20	73.94	NA
Amount utilized from Reserve for social / philanthropic causes & investor centric initiatives out of the amount spent	25.98	-	-	-	7.67
Amount charged to Restated Standalone Summary Statement of Profit and Loss	143.88	123.34	90.20	73.94	NA

The regulations for Corporate Social Responsibility spends were applicable from the year ended March 31, 2015.

14 Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016 is provided in the table below. The SBN shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November, 2016. This disclosure is not applicable for any other years.

(₹ in millions)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	0.01	0.01
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	0.01*	0.01	0.02
Closing cash in hand as on 30.12.2016	-	-	-

***** Returned by an employee against settlement of advance given for routine business activities.

15 In connection with the matter of front running of trades by a former equities dealer of the Company and the consent terms filed by the Company therein, SEBI directed the Company to pay an amount of ₹69.69 million to the unit holders of the relevant schemes of HDFC Mutual Fund and the Company's Portfolio Management Services clients towards the estimated losses incurred by them. Of the above amount, the Company had deposited an amount of ₹25.86 million with HDFC Trustee Company Limited till the year ended March 31, 2015 and the balance amount of ₹43.83 million was deposited in the year ended March 31, 2016. The entire amount of ₹69.69 million has been charged to the Restated Standalone Summary Statement of Profit and Loss during the year ended March 31, 2016 under miscellaneous expenses.

16 Till year ended March 31, 2015, the advance trail commission paid to the distributors was being recovered from the schemes over the period for which it was paid. With effect from 1 April 2015, it is being amortised in the books of the Company. Consequently, the management fees and brokerage cost for the year ended March 31, 2016, which was the first year of change, were higher by ₹1,856.92 million and ₹1,930.80 million respectively.

17 The Company was entitled to performance Linked Fees under HDFC AMC PMS – REAL ESTATE PORTFOLIO – I (product). The Company was also liable to pay a part of it to the advisors. Upon the closure of the said product in the year ended March 31, 2016, the income of ₹2,165.55 million (in the year ended March 31, 2015 - ₹697.05 million, in the year ended March 31, 2014 - ₹994.15 million) as well as the corresponding expenditure of ₹1,082.78 million (year ended March 31, 2015 - ₹348.53 million, year ended March 31, 2014 - ₹497.07 million) were accounted on actual basis. The same were accounted on estimation basis for the year ended March 31, 2015 and year ended March 31, 2014 as the product had not matured.

18 During the year ended March 31, 2014, the Company and HDFC Trustee Company Limited had jointly entered into a Scheme Transfer Agreement with Morgan Stanley Investment Management Private Limited and Board of Trustees of Morgan Stanley Mutual Fund to acquire the right to operate, administer, manage schemes of Morgan Stanley Mutual Fund and the right to assume the trusteeship and takeover of the schemes of Morgan Stanley Mutual Fund respectively. The said transaction had been approved by the Securities and Exchange Board of India and the Unit holders of the schemes of Morgan Stanley Mutual Fund in the year ended March 31, 2015. The resultant goodwill of ₹83.35 million has been added to intangible assets (see annexure XI).

19 Merger of HDFC Children Gift Fund – Saving Plan ("HDFC CGF SP") into HDFC Children's Gift Fund – Investment Plan ("HDFC CGF IP") was approved by Board of Directors of the Company and the Board of Directors of HDFC Trustee Company Limited (Trustees to HDFC Mutual Fund), at their respective board meetings dated 28 April 2017. The aforesaid merger was carried out in compliance with the applicable regulations and guidelines issued under the SEBI (Mutual Funds) Regulations, 1996. Accordingly, the investment in HDFC CGF SP has been merged with that of HDFC CGF IP.

20 Comparatives Figures

Figures for the previous years have been regrouped / reclassified, wherever necessary.

21 Restatement of material adjustments.

There were no material amounts relating to adjustments for previous years which requires to be restated under SEBI ICDR Regulations.

As per our report attached of even date

For and on behalf of the Board of Directors

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No.
101248W/W-100022

Milind Barve
Managing Director
(DIN: 00087839)

Hoshang S. Billimoria
Director
(DIN: 00005003)

Akeel Master
Partner
Membership No: 046768

Piyush Surana
Chief Financial Officer

Sylvia Furtado
Company Secretary
(ACS: 17976)

Mumbai, June 15, 2018

ANNEXURE XXV-RESTATED STANDALONE SUMMARY STATEMENT OF DIVIDEND DECLARED AND PAID

(₹ in Millions except share data and unless otherwise stated)

The Company has declared the interim dividend on equity share in each of the years as follows:

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Number of shares	210,555,200	25,166,900	25,164,200	25,240,800	25,240,800
Face value per share (in ₹)	5	10	10	10	10
Equity share capital	1,052.78	251.67	251.64	252.41	252.41
Rate of dividend (%)	320	920	800	650	500
Dividend per share (in ₹)	16	92	80	65	50
Dividend	3,368.88	2,315.35	2,013.14	1,640.65	1,262.04
Dividend Tax	685.83	471.35	409.83	328.03	214.48

The above interim dividends were confirmed by Shareholders as Final Dividend at respective annual general meetings.

The shareholders of the Company had, at the Extraordinary General Meeting (EGM) held on February 06, 2018, accorded their consent to the following:

1. Increase in the authorized share capital of the Company from ₹ 800 million divided into 30,000,000 equity shares of ₹ 10 each and 50,000,000 preference shares of ₹ 10 each to ₹ 3,500 million divided into 300,000,000 equity shares of ₹ 10 each and 50,000,000 preference shares of ₹ 10 each.

2. Issue and allotment of bonus shares in the ratio of 3 equity shares of ₹ 10 each for every 1 equity share of ₹ 10 each. The record date for the issue of bonus shares was February 05, 2018.

3.Sub division of the authorized and issued share capital of the Company by decreasing the face value of the equity share from ₹ 10 each to ₹ 5 each. The record date for the sub division was February 13, 2018.

4. Accordingly, the revised authorised share capital of the Company as at March 31, 2018 stands at ₹ 3,500 million divided into 600,000,000 equity shares of ₹ 5 each and 50,000,000 preference shares of ₹ 10 each and issued, subscribed and paid up share capital at ₹ 1,052.78 million comprising of 210,555,200 equity shares of ₹ 5 each.

The dividend rates have been calculated based on the face value of equity shares of ₹ 10 each for years ended March 31, 2017 and earlier. For year ended March 31, 2018, it has been calculated on the face value of equity shares of ₹ 5 each.

ANNEXURE XXVI-RESTATED STANDALONE SUMMARY STATEMENT OF CAPITALISATION

(All amounts in ₹ Millions, except share data and unless otherwise stated)

Particulars	Pre Issue	Pre Issue	Post Issue
	As at	As at	
	March 31, 2018	March 31, 2018	(As adjusted for the issue)
		(Adjusted for Private Placement)	
		(See Note IV below)	
Short Term Debt	-	-	Refer Notes below
Long Term Debt	-	-	
Total Debt	-	-	
Shareholders' Funds			
Equity Share Capital	1,052.78	1,059.94	
Reserves and Surplus	20,546.90	22,045.01	
Total Shareholders' Fund / Net Worth	**21,599.68**	**23,104.95**	
Long term debt / Shareholders' funds	Not Applicable	Not Applicable	
Total Debt / Shareholders' funds	Not Applicable	Not Applicable	

Notes:

I. The Company is proposing to offer its equity shares through an offer for sale by way of initial public offering. Hence, there will be no change in the shareholders' funds on account of this issue.

II.The figures disclosed above are based on the Restated Standalone Summary Financial Information of the Company.

III.The Post issue debt equity ratio will be computed on the conclusion of book building process.

IV. In accordance with Sections 62(1)(c), 42 and 179 of the Companies Act, 2013 including the rules and regulations framed thereunder and pursuant to approval by the Board of Directors of the Company at its meeting held on April 17, 2018 and by the Shareholders of the Company at the extra ordinary general meeting held on April 18, 2018, 1,433,600 equity shares of face value of ₹ 5 each were issued and allotted to applicants at a premium of ₹ 1,045 per share on a private placement basis. Consequently, the paid up share capital of the Company stands increased to ₹ 1,059.94 million and securities premium of the Company stands increased to ₹ 4,933.20 million.

ANNEXURE XXVII-RESTATED STANDALONE SUMMARY STATEMENT OF ACCOUNTING RATIOS

(All amounts in ₹ Millions, except share data and unless otherwise stated)

Particulars	Reference	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Basis for computation of Accounting Ratios						
Restated Profit after tax (A) (Refer Annexure II)	A	7,216.16	5,502.46	4,778.80	4,155.00	3,577.70
Restated Net profit attributable to equity shareholders for calculation of basic & diluted earnings per share	B	7,216.16	5,502.46	4,778.80	4,155.00	3,577.70
Weighted average number of Equity Shares outstanding during the year for calculating basic earnings per share	C	206,033,611	201,324,608	202,163,552	201,926,400	202,003,936
Weighted average number of Equity Shares outstanding during the year for calculating diluted earnings per share	D	206,397,144	203,379,960	202,844,904	204,566,200	203,248,856
Equity share capital	E	1,052.78	251.67	251.64	252.41	252.41
Reserves and surplus	F	20,546.90	13,977.74	11,260.58	10,946.49	8,760.17
Net worth (E + F)	G	21,599.68	14,229.40	11,512.22	11,198.90	9,012.58
Net asset value	H	21,599.68	14,229.40	11,512.22	11,198.90	9,012.58
Number of equity shares outstanding at the end of the year	I	210,555,200	201,335,200	201,313,600	201,926,400	201,926,400
Accounting Ratios						
Basic earnings per share (Rs.) (A / C)	J	35.02	27.33	23.64	20.58	17.71
Diluted earnings per share (Rs.) (A / D)	K	34.96	27.05	23.56	20.31	17.60
Return on net worth % (A / G * 100)	L	33.41	38.67	41.51	37.10	39.70
Net asset value per equity share (Rs.) (H / I)	M	102.58	70.68	57.19	55.46	44.63

Notes:
The above ratios are calculated as under:

a) Earnings per share =Restated Net profit after tax attributable to equity shareholders / weighted average number of shares outstanding during the year.

The shareholders of the Company had, at the Extraordinary General Meeting (EGM) held on February 06, 2018, accorded their consent to the following:

1. Increase in the authorized share capital of the Company from ₹ 800 million divided into 30,000,000 equity shares of ₹ 10 each and 50,000,000 preference shares of ₹ 10 each to ₹ 3,500 million divided into 300,000,000 equity shares of ₹ 10 each and 50,000,000 preference shares of ₹ 10 each.

2. Issue and allotment of bonus shares in the ratio of 3 equity shares of ₹ 10 each for every 1 equity share of ₹ 10 each. The record date for the issue of bonus shares was February 05, 2018.

3. Sub division of the authorized and issued share capital of the Company by decreasing the face value of the equity share from ₹ 10 each to ₹ 5 each. The record date for the sub division was February 13, 2018.

4. Accordingly, the revised authorised share capital of the Company as at March 31, 2018 stands at ₹ 3,500 million divided into 600,000,000 equity shares of ₹ 5 each and 50,000,000 preference shares of ₹ 10 each and issued, subscribed and paid up share capital at ₹ 1,052.78 million comprising of 210,555,200 equity shares of ₹ 5 each.

Under the bonus issue and the share split, equity shares were issued to existing shareholders for no additional consideration and hence, the number of equity shares outstanding increased without an increase in resources. As per Accounting Standard 20 on "Earnings per share", the number of equity shares outstanding before such event is to be adjusted for the proportionate change in the number of equity shares outstanding as if such event had occurred at the beginning of the earliest period reported. Pursuant to the shareholders' consent to the issue of bonus equity shares and sub division of the equity shares at the EGM mentioned above, number of equity shares outstanding during the previous years, which were considered for the computation of Basic earnings per share and Diluted earnings per share have been adjusted.

b) Return on net worth (%) = Restated Net profit after tax / net worth of the year.

Net worth means the aggregate of the paid up share capital, securities premium account, and other reserves and surplus (excluding revaluation reserve), as restated at the end of the year. The Company does not have any revaluation reserve.

c) Net asset value per equity share (₹) = Net worth / Total number of equity shares outstanding as at the end of the year.

Net asset value per equity share also have been adjusted for all the periods presented after giving effect to allotment of bonus shares in the ratio of 3 equity shares of ₹ 10 each for every 1 equity share of ₹ 10 each and sub division of Equity Shares from face value of ₹ 10 each to ₹ 5 each.

ANNEXURE XXVIII-RESTATED STANDALONE SUMMARY STATEMENT OF TAX SHELTER

(All amounts in ₹ Millions, except share data and unless otherwise stated)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Restated Profit Before Tax (A)	10,625.15	7,998.01	7,082.50	6,225.96	5,224.51
Tax Rate including surcharge and cess (B)					
Normal Tax Rate	34.61%	34.61%	34.61%	33.99%	33.99%
Total tax expense (C)	3,677.15	2,767.95	2,451.10	2,116.22	1,775.81
+VE - Tax Increase					
- VE - Tax Decrease					
ADJUSTMENTS					
Tax impact of permanent differences due to:					
Capital gain / (loss)	(179.63)	(221.96)	(81.17)	0.00	(90.85)
Income not considered for tax purpose / Exempt income	(119.45)	(75.14)	(83.03)	(60.04)	(38.53)
Allowance of Donation under Section 80G of the Income tax Act, 1961 (the IT Act)	(29.35)	(21.13)	(15.22)	(12.53)	(1.30)
Disallowance of Corporate Social Responsibility Expenses	49.79	42.69	31.22	25.13	-
Other disallowances / (allowances)	17.72	0.08	(0.15)	(0.16)	1.51
Total Tax Impact of Permanent Difference (D)	**(260.92)**	**(275.46)**	**(148.35)**	**(47.60)**	**(129.17)**
Tax impact of timing differences due to:					
Club Membership fees (allowance) / disallowance	(1.58)	(0.60)	0.23	0.22	0.22
Difference between book depreciation and tax depreciation	7.16	7.20	7.18	4.93	1.15
Reversal of Provision For Contingency	-	(51.91)	-	-	-
Other disallowances / (allowances)	(9.03)	3.00	(0.36)	1.88	(1.13)
Total Impact of Timing Difference (E)	**(3.46)**	**(42.31)**	**7.05**	**7.03**	**0.24**
Net Adjustment (F=D+E)	**(264.38)**	**(317.77)**	**(141.30)**	**(40.57)**	**(128.93)**
Tax provision as per restated financial (G = (C + F))	**3,412.78**	**2,450.18**	**2,309.80**	**2,075.66**	**1,646.88**

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

The Restated Financial Statements have been prepared in accordance with Indian GAAP, which differs in certain material respects from Ind As. 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. Further, the Ministry of Corporate Affairs (the "**MCA**"), in its press release dated January 18, 2016 issued a roadmap for the implementation of Ind AS converged with IFRS for scheduled commercial banks, insurance companies and non-banking financial companies. Subsequently, MCA issued the Companies (Accounting Standards) Amendment Rules, 2016 dated March 30, 2016 ("**Amendment Rules**") applicable for accounting periods commencing on or after March 30, 2016. Non-banking finance companies with a net worth of ₹5,000 million or more as of March 31, 2016, are required to comply with Ind As for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. As a result, we are required to prepare our financial statements in accordance with Ind AS for Fiscal 2019 and going forward. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements were historically prepared, our financial statements under Ind AS may not be comparable to our historical financial statements that were prepared under Indian GAAP.

The following table summarizes certain differences between Indian GAAP and Ind AS that could be significant to our financial position and results of operations. This summary should not be taken as an exhaustive list of all the differences between Indian GAAP and Ind AS. Accordingly, no assurance can be provided to investors that our financial statements would not be materially different if prepared in accordance with Ind AS. Furthermore, we have made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and Ind AS which may result from prospective changes in accounting standards. We have not considered matters of Indian GAAP presentation and disclosures, which also differ from Ind AS. In making an investment decision, investors must rely upon their own examination of the our business, the terms of the offerings and the financial information included in this Prospectus. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and Ind AS and how these differences might affect the financial information disclosed in this Prospectus.

See "*Risk Factors - Changes in the accounting standards used in the reporting of our financial statements due to new pronouncements such as Ind-AS, interpretations, migration to new standards or even due to our own decision to change accounting policies may significantly affect our financial statements for the future years, and may materially and adversely affect our financial condition*" page 47 of this Prospectus, for risks associated with transitioning to Ind AS.

Certain principal differences between Indian GAAP and Ind AS that may have a material effect on our financial statements are summarized below.

Ind AS No.	Particulars	Treatment as per Indian GAAP	Treatment as per Ind AS
Ind AS 1	Presentation of Financial Statements	**Statement of Change in Equity:** A statement of changes in equity is currently not presented. Movements in share capital, retained earnings and other reserves are to be presented in the notes to accounts.	**Statement of Change in Equity:** Ind AS-1 requires the presentation of a statement of changes in equity showing a) Transactions with owner in their capacity as Owner, showing separately contributions by and distributions to equity holders. b) The total comprehensive income for the period. Amounts attributable to owner and non-controlling interests are to be shown separately. c) Effects of retrospective application or restatement on each component of equity. d) For each component of equity, a

			reconciliation between the opening and closing balances separately disclosing each change.
		Other Comprehensive Income: There is no Concept of Other Comprehensive Income under Indian GAAP. Some items, such as movements in cash flow hedging reserve that are treated as 'other comprehensive income' under Ind-AS are recognised directly in reserve and surplus under Indian GAAP.	**Other Comprehensive Income:** Ind AS-1 requires the presentation of a statement of other comprehensive income as part of the financial statements. This statement presents all the items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind ASs. Further Ind AS 1 gives a choice of presentation for tax effects of items presented in other comprehensive income. An entity may present items of OCI either: a) Net of related tax effects, or b) Before related tax effects with one amount shown for the aggregate amount of income tax relating to those items.
		Extraordinary items: Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity	**Extraordinary items:** Presentation of any items of income or expense as extraordinary is prohibited. Additionally, the format of statement of profit and loss in Schedule III issued by MCA includes exceptional items.
Ind-AS 8	Accounting Policies, Changes in Accounting Estimates and Error	**Change in Accounting Policies**: Under Indian GAAP, Changes in accounting policies should be made only if it is required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis together with a disclosure of the impact of the same, if material. If a change in the accounting policy is expected to have a material effect in the later periods, the same should be appropriately disclosed. However, change in depreciation	**Change in Accounting Policies:** Ind-AS-8 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.

		method, though considered a change in accounting policy, is given retrospective effect.	
		Errors: Prior period items are included in determination of net profit or loss of the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived.	**Errors**: Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.
Ind AS 12	Deferred Taxes: P&L vs. Balance Sheet Approach	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purpose of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base. Using the balance sheet approach, there could be additional deferred tax charge/income on account of the below: a) All Ind AS opening balance sheet adjustments.(including fair valuation adjustments for investments measured at FVTPL/FVOCI)
Ind AS 16	Property Plant and Equipment – Reviewing Depreciation and residual value	Property, plant and equipment are not required to be componentized as per AS-10. However, Companies Act requires the company to adopt component accounting. The Companies Act, 2013 sets out the indicative useful lives of assets based on the nature of the asset. If an entity adopts a useful life different than the one described under the Companies Act, 2013, it should provide appropriate disclosures in the notes to accounts.	Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS, as one of its options upon transition to Ind AS
		Any change in depreciation method is treated as an accounting policy change under Indian GAAP.	Any change in depreciation method is treated as a change in estimate under Ind AS.
Ind AS 38	Intangible assets	For intangible assets other than goodwill, there is a rebuttable presumption that the useful life of an intangible asset will not exceed 10 years.	Under Ind AS 38, intangible assets can have indefinite useful lives. Such assets are required to be tested for impairment and are not amortized.
Ind AS 115	Revenue from rendering of services	As per AS 9, revenue is recognized using either by completed services or proportionate completion	Ind AS 115 is applicable for accounting periods beginning on or after 1 April 2018. Ind AS 115 provides a five step model to determine when to recognise revenue and at what amount. The

			model specifies that revenue is recognised when or as an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. The new standard also has specific guidance on accounting for costs of obtaining a contract and costs of fulfilling a contract.
Ind AS 17	Leases Operating lease rentals:	Under Indian GAAP, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term, unless another systematic basis is more representative of the time pattern of the users benefit.	Under Ind AS 17, lease payments under an operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term unless: a) another systematic basis is more representative of the time pattern of the user's benefit; or b) The payments to the lessor are structured to increase in line with expected general inflation for cost increases.
	Fair valuation of rent deposits	There is no specific accounting treatment specified under Indian GAAP for the accounting of deposits provided by the lessee under a lease. Deposits are generally accounted as assets at historical cost.	Under Ind AS, in case of an operating lease, the difference between the nominal value and the fair value of the deposit under the lease is considered as additional rent payable. This is expensed on a straight line basis over the term of the lease. The lessee also recognizes interest income using internal rate of return through its profit and loss over the life of the deposit.
Exposure Draft on Ind AS 116	Lessee accounting for operating leases	Currently, for operating leases, lessee recognises lease rent as an expense in profit and loss account.	Under the exposure draft, there is no lease classification test (operating lease v/s finance lease) for lessees and lessees are required to recognise all leases on balance sheet. Lessee recognises right of use of asset and a lease liability
Ind AS 19	Employee benefits	All actuarial gains and losses are recognised immediately in the statement of profit and loss.	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.
Ind-AS 21	Effects of changes in Foreign Exchange Rates: Functional and presentation currency	Foreign currency is a currency other than the reporting currency which is the currency in which financial statements are presented. There is no concept of functional currency.	Functional currency is the currency of the primary economic environment in which the entity operates. Foreign currency is a currency other than the functional currency. Presentation currency is the currency in which the financial statements are presented.
Ind AS 102	Recognition of ESOP charge	The guidance note on accounting of employee share based payments effective April 1, 2005 issued by the	Under Ind AS, in case of equity settled share based payment transactions with employees, the fair value as on the

		ICAI required unlisted companies to account for ESOP charge. The guidance note permits the use of either the intrinsic value or fair value for determining the cost of benefits arising from employee share based compensation plans. Under the intrinsic value method, the cost is the difference between the market price of the underlying share on the date of grant and the exercise price of the option. The fair value method is based on fair value of the option at the date of grant. The fair value is estimated using an option-pricing model (for example, a Black Scholes or Binomial model).	grant date should be estimated and recognised as an expense over the vesting period. The fair value of the option is estimated using an option-pricing model (for example, Black Scholes or Binomial model). Use of intrinsic value method is generally not permitted. However as per Ind AS 101, a first-time adopter is encouraged, but not required, to apply Ind AS 102 Share-based payment to equity instruments that vested before date of transition to Ind Ass.
Ind-AS 103	Accounting of acquisitions: Business combinations	As per Indian GAAP, amalgamations in the nature of purchase are accounted for by recording the identifiable assets and liabilities of the acquiree either at the fair values or at book values. Amalgamations in the nature of merger are accounted under the pooling of interests method. Identifiable assets and liabilities of subsidiaries acquired by purchase of shares which are not amalgamations are recorded in the consolidated financial statements at the carrying amounts stated in the acquired subsidiary's financial statements on the date of acquisition. In the case of amalgamation in the nature of purchase, the excess of purchase consideration over the net assets of the transferor company is treated as goodwill and the same is amortized over the period not exceeding 5 years. The goodwill is tested for impairment at each balance sheet date. Upon an acquisition, any excess of the amount of the purchase consideration over the value of net assets of the transferor company acquired by the transferee company is recognized in the transferee company's consolidated financial statements as goodwill on acquisition. Excess of net assets acquired over the purchase consideration is recognized as capital reserve. As per the existing AS 14, the minority interest is the amount of equity attributable to minorities at the date on which investment in a subsidiary is made and it is shown outside shareholders' equity.	Under Ind-AS, business combinations, other than those between entities under common control, are accounted for using the purchase method, wherein fair values of identifiable assets and liabilities of the acquiree are recognized (with very limited exceptions).Therefore The acquirer's application of the recognition principle and conditions may result in recognising some assets and liabilities that the acquiree had not previously recognised as assets and liabilities in its financial statements.(e.g. intangible assets such as patent, brand name etc.). Upon an acquisition, the purchase price allocation should be made by fair valuation of all assets including intangibles. Goodwill is measured as the difference between; the aggregate of a) fair value of the consideration transferred on the acquisition date; b) the amount of any non-controlling interest, and the net of the acquisition date fair values of the identifiable assets acquired and the liabilities assumed after adjusting deferred tax assets and liabilities. The goodwill is not amortised but instead is tested for impairment at each balance sheet date. Excess of net assets acquired over the purchase consideration is recognized as capital reserve. Ind AS 103 requires that for each business combination, the acquirer shall measure any non-controlling

			interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Business combinations between entities under common control should be accounted for using the 'pooling of interests' method Acquisition related costs are recorded as expense in the periods in which the costs are incurred and the services are received, with the below exception. a) The cost related to issue of debt securities is deducted from the carrying amount and is amortized over the term of the debt based on effective interest rate. b) Costs related to issuance of equity securities is reduced from the proceeds received.
Ind-AS 108	Operating Segments: Determination of Segments	Under Indian GAAP, companies are to identify two sets of segments (business and geographical), using a risks and rewards approach, with the company's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments.	Under Ind-AS, operating segments are identified based on the financial information that is regularly reviewed by the chief operating decision-maker (CODM) in deciding how to allocate resources and in assessing performance.
Ind-AS 109	Financial Assets	Financial assets are not defined in Indian GAAP and no specific guidance is provided.	All financial assets are classified as measured at amortised cost using effective interest method or measured at fair value through profit and loss or fair value through other comprehensive income.
Ind-AS 109	Financial Liabilities	Financial liabilities are not defined in Indian GAAP and no specific guidance is provided.	Financial liabilities held for trading are subsequently measured at fair value through profit and loss and all other financial liabilities are measured at amortised cost using the effective interest method
Ind AS 109	Accounting of investments	Under Indian GAAP, long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is not temporary in nature. Current investments, except for current maturities of long term investments, comprising investments in mutual funds are stated at the lower of cost and fair value.	**A financial asset is measured at amortized cost if it meets the following criteria:** a) The asset Is held to collect its contractual cash flows b) The asset's contractual cash flows represent 'solely payments of principal and interest' ('SPPI'). Financial assets included within the amortized cost category are initially recognized at fair value and subsequently measured at amortized

			cost. A financial asset is measured at fair value through the Other Comprehensive Income if it fulfils the following requirements**:** a) The objective of the business model is achieved both by collecting contractual cash flows and by selling financial assets. b) The asset's contractual cash flows represent SPPI. Financial assets included within the Fair value through other comprehensive income (FVTOCI) category are initially recognized and subsequently measured at fair value. Movements in the carrying amount will be taken through Other Comprehensive Income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in profit and loss. Where the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Fair value through profit & loss (FVTPL) is the residual category. Financial assets will be classified as FVTPL if they do not meet the criteria of FVTOCI or amortized cost. Financial assets included within the FVTPL category will be measured at fair value with all changes taken through profit or loss. Regardless of the business model assessment, an entity can elect to classify a financial asset at FVTPL, if doing so, reduces or eliminates a measurement or recognition inconsistency ('accounting mismatch')
Ind AS 109	Financial Instruments - Provision for doubtful debts	Under Indian GAAP, provisions are made for specific receivables based on circumstances such as. Credit default of customer or disputes with customers. An enterprise should assess the provision of doubtful debts at each period end which, in practice, is based on relevant information such as past experience, actual financial position and cash flows of the debtors. Different methods are used for making provisions for bad debts, including ageing analysis and individual assessment of recoverability.	In addition to the specific provisions under Indian GAAP, under Ind AS, at each reporting date, an entity shall assess whether the credit risk on trade receivables has increased significantly since initial recognition. When making the assessment, an entity shall use the Expected Credit Loss model to provide for a loss allowance over and above any provision for doubtful debts in the profit and loss statement. An entity shall measure expected credit losses to reflect the following: a) An unbiased and probability-

			weighted amount that is determined by evaluating a range of possible outcomes; b) Time value of money and c) Reasonable and supportable information that is available without undue cost effort at the reporting date about past events, current conditions and forecasts of future economic conditions
Ind AS 110	Consolidated Financial Statements	The definition of control under Indian GAAP is straight forward and there is no specific guidance on how to analyse control in case of special purpose entities.	Ind AS 110 establishes a single control model for all entities (including special purpose entities, structured entities and variable interest entities). The implementation of this standard will require managements to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated. It changes the assessment of whether an entity is to be consolidated, by revising the definition of control. Further proportionate consolidation can be used only in limited cases of joint control, while joint ventures would have to be consolidated using the equity method. Additionally, Ind AS 110 introduces a new control model for the consolidation of the investee by the investor. As per Ind AS 110, an investor controls an investee when the investor is exposed to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee
Ind AS 110	Consolidated Financial Statements		Linkage test for fund managers will be a combined assessment of two key indicators: a) Kick-out rights and b) Aggregate economic interest Kick-out rights represent the power held by another party to remove the fund manager. Kick-out rights should be without-cause if they are to be considered in the analysis; otherwise they are given zero weight. Kick out rights with cause are considered to be protective rights and not substantive rights. The aggregate economic interest is made up of remuneration plus other

			interests. The fund manager's remuneration includes items such as management fees and performance fees. The fund manager's other interests represent items such as any equity investment. The correlation between kick out rights and aggregate economic interest can be explained as under: a) The combination of strong kick-out rights and low aggregate economic interest suggests that the asset manager is an agent b) The combination of weak kick-out rights and high aggregate economic interest suggests that the asset manager is a principal c) In marginal cases, the combination does not give clear outcome and judgment would be required

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Unless indicated otherwise, the financial information included herein is based on our Restated Financial Statements as of and for the Fiscals 2014, 2015, 2016, 2017 and 2018 beginning on page 262 of this Prospectus. Our Restated Financial Statements are prepared in accordance with Indian GAAP and restated as per Chapter III to the Companies Act and the ICDR Regulations. You should read the following discussion and analysis of our financial condition and results of operations together with such Restated Financial Statements, including the significant accounting policies, notes thereto and reports thereon, set forth which have been prepared in accordance with Companies Act. Our Fiscal year ends on March 31 of each year, so all references to a particular Fiscal year are to the twelve-month period ended March 31 of that year.

As India has decided to adopt a convergence of its existing standards with IFRS, which are referred to in India as Ind AS, we are required to prepare our financial statements in accordance with Ind AS for Fiscal 2019 and going forward. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements were historically prepared, our financial statements under Ind AS may not be comparable to our historical financial statements that were prepared under Indian GAAP. For further details on the difference between Indian GAAP and Ind AS, see "Significant Differences between Indian GAAP and Ind AS" on page 324 of this Prospectus.

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in the sections "Forward-Looking Statements" and "Risk Factors" on pages 17 and 19 of this Prospectus, respectively.

We have included various operational and financial performance indicators in this Prospectus, including certain non-GAAP financial measures, some of which may not be derived from our Restated Financial Statements or otherwise subjected to an audit or review by our auditors. The manner in which such operational and financial performance indicators, including non-GAAP financial measures, are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies.

Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of the Restated Financial Statements and other information relating to our business and operations included in this Prospectus.

*Unless otherwise specified in this section, references to "our assets under management ("**AUM**")" or words of similar import refers to the AUM of HDFC Mutual Fund. Unless otherwise specified in this section, references to "our schemes" or words of similar import refers to the mutual fund schemes of HDFC Mutual Fund. Unless otherwise specified in this section, references to "equity-oriented AUM" or words of similar import refers to the mutual fund equity-oriented AUM of HDFC Mutual Fund and excludes exchange traded schemes and funds of funds.*

Overview

We have been the most profitable asset management company in India in terms of net profits since Fiscal 2013, according to CRISIL. We had a total AUM of ₹2,919.85 billion as of March 31, 2018. Our profits have grown every year since the first full year of operations in Fiscal 2002. We have been the largest asset management company in India in terms of equity-oriented AUM since the last quarter of Fiscal 2011 and have consistently been among the top two asset management companies in India in terms of total average AUM since the month of August 2008, according to CRISIL.

As of March 31, 2018, our equity-oriented AUM and non-equity-oriented AUM constituted ₹1,497.13 billion and ₹1,422.73 billion, respectively, of our total AUM. Our actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) constituted ₹1,449.25 billion of our total AUM as of March 31, 2018. Our AUM has grown at a CAGR of 25.5% between March 31, 2013 and March 31, 2018. Our proportion of equity-oriented AUM to total AUM was at 51.3%, which was higher than the industry average of 43.2%, as of March 31, 2018, according to CRISIL. As equity-oriented schemes generally have a higher fee structure compared to non-equity-oriented schemes, according to CRISIL, our product mix helps us achieve higher profits. As of March 31, 2018, our market share of total AUM was 13.7% and of actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) was 16.8% among all asset management companies in India, according to CRISIL. We have received several awards for our operations, such as the Equity Fund House of the year award for 2017 at the Outlook Money Awards in 2018.

We operate as a joint venture between HDFC and SLI. HDFC is one of India's leading housing finance companies. HDFC group has emerged as a recognized financial conglomerate in India, with presence in housing finance, banking, life and non-life insurance, asset management, real estate funds and education finance. Listed companies of the HDFC group include HDFC Limited, HDFC Bank Limited, HDFC Standard Life Insurance Company Limited and GRUH Finance Limited, which had market capitalizations of US$46.87 billion (₹3,209.38 billion), US$80.19 billion (₹5,490.74 billion), US$13.41 billion (₹918.01 billion) and US$3.25 billion (₹222.47 billion), respectively, as of June 30, 2018. SLI is an indirect subsidiary of Standard Life Aberdeen plc ("Standard Life Aberdeen"), one of the world's largest investment companies, created in 2017 from the merger of Standard Life plc and Aberdeen Asset Management PLC. SLI operates within the brand Aberdeen Standard Investments, with its investment arm managing £575.7 billion (₹49,666.50 billion) of assets as of December 31, 2017, making it one of the largest active managers in Europe. Standard Life Aberdeen is listed on the London Stock Exchange and had a total market capitalization of £9.70 billion (₹876.72 billion) as of June 30, 2018. We believe that our strong parentage and trusted brand enhances our appeal and provides confidence to our customers.

We offer a large suite of savings and investment products across asset classes, which provide income and wealth creation opportunities to our customers. As of March 31, 2018, we offered 133 schemes that were classified into 27 equity-oriented schemes, 98 debt schemes (including 72 FMPs), three liquid schemes, and five other schemes (including exchange-traded schemes and funds of fund schemes). This diversified product mix provides us with the flexibility to operate successfully across various market cycles, cater to a wide range of customers from individuals to institutions, address market fluctuations, reduce concentration risk in a particular asset class and work with diverse sets of distribution partners which helps us expand our reach. We also provide portfolio management and segregated account services, including discretionary, non-discretionary and advisory services, to HNIs, family offices, domestic corporates, trusts, provident funds and domestic and global institutions. As of March 31, 2018, we managed AUM of ₹64.74 billion as part of our portfolio management and segregated accounts services' business. Additionally, as part of our portfolio management and segregated accounts services we provide non-binding investment advisory services to a fund which had an AUM of ₹4.69 billion as of March 31, 2018 and is managed by Standard Life Investments Global SICAV.

Our diverse product offerings and services allows us to reach out to a large segment of the Indian mutual fund market and develop a broad individual focussed customer base. We had a total number of Live Accounts of 8.10 million as of March 31, 2018, and our MAAUM from individual customers accounted for 62.2% of our MAAUM, compared to the industry average of 51.4%, for the same period, according to CRISIL. Our diverse schemes target varying customer requirements and risk profiles, and has helped us attract a growing individual-focused customer base. Our offering of systematic transactions further enhances our appeal to individual customers. Systematic transactions have gained significance among individual customers, according to CRISIL, and we had a monthly flow of over ₹11.5 billion through approximately 3.16 million systematic transactions as of March 31, 2018. We endeavour to stay relevant to our customers by providing them with need-based product solutions to meet their financial goals as well as continued customer support and engagement through various distribution channels.

A key element of our strategy is to promote a customer-centric culture that spans across all aspects of our business. As of March 31, 2018, we served customers in over 200 cities through our pan-India network of 209 branches (and a representative office in Dubai) and service centres of our RTA, which is supported by a strong and diversified network of over 65,000 empaneled distribution partners across India, consisting of IFAs, national distributors and banks. As of March 31, 2018, IFAs, national distributors and banks generated 27.6%, 21.0%, 17.3% of our total AUM, respectively, while the remaining 34.1% was invested in direct plans. In terms of our equity-oriented AUM, IFAs, national distributors and banks generated 39.2%, 24.2%, 19.1% of our equity-oriented AUM, respectively, while the remaining 17.5% was invested in direct plans, as of March 31, 2018. We believe that we are at the forefront of leveraging technology in the Indian asset management sector, with a focus on digitization to transform sales, customer on-boarding and internal processes. We believe that our focus on technology has enriched our customers' experience and has enhanced the productivity of our employees and distributors. We offer our products and services through our online portal, HDFC MFOnline and mobile applications, both of which have become increasingly relevant to our business in recent years.

We have an established track record of delivering robust financial performance. Our total revenue increased from ₹9,031.14 million in Fiscal 2014 to ₹18,672.46 million in Fiscal 2018, with a CAGR of 19.91%, and our net profit has grown from ₹3,577.70 million to ₹7,216.16 million during the same period at a CAGR of 19.17%. Our Dividend Payout Ratio increased from 41% in Fiscal 2014 to 56% in Fiscal 2018 and we paid a dividend of ₹3,368.88 million in Fiscal 2018 compared to ₹1,262.04 million in Fiscal 2014. We had a net worth of ₹21,599.68 million as of March 31, 2018. Our return on average net worth exceeded 40% every year since Fiscal 2014 and was 40.28% for Fiscal 2018**.**

Significant Factors Affecting our Results of Operations

The results of our operations and our financial condition are significantly affected by a number of factors, many of which may be beyond our control, including macroeconomic conditions in India, household savings in India, fluctuations in the underlying markets, our investment performance, our distribution capabilities, the mix of our assets under management, investment management fee and expense structure, changes in regulatory framework and industry competition.

Macroeconomic conditions in India

Our business, financial condition, results of operations and prospects are significantly affected by general economic conditions and particularly macroeconomic conditions in India, where we conduct most of our business and generate substantially all of our revenue. While our business tends to benefit from increased consumer confidence in the overall economy, adverse macroeconomic conditions in India may affect the investment performance of our schemes and products, reduce the demand for our schemes and products, increase redemptions in our schemes and otherwise adversely affect our results of operations. Key factors affecting the performance of our business include overall economic growth parameters, household savings rates, consumer preferences towards financial savings, the impact of regulatory developments such as goods and services tax ("**GST**") on the Indian economy and Indian demographics. Fiscal and monetary dynamics such as volatility in interest rates, inflation and foreign exchange rates are also factors that affect the performance of our schemes. These factors in varying degrees affect the quantum of household savings and their proportion invested in mutual funds relative to other competing products such as physical assets including real estate and gold and financial savings such as bank deposits, provident funds and insurance. Macroeconomic conditions in India affect the performance of our schemes, which in turn may affect our assets under management and consequently affect our revenue.

Household savings in India

Household savings in India have grown from ₹20.7 trillion in Fiscal 2012 to ₹24.8 trillion in Fiscal 2017, and India is expected to remain a high-savings economy at least over the next decade, according to CRISIL. There has been a gradual transition from savings in physical assets to financial assets, and the proportion of net financial assets as household savings has grown from 31% in Fiscal 2012 to 42% in Fiscal 2017. According to CRISIL, the percentage of gross household financial savings in India in shares and debentures, including mutual funds, has increased from 2.0% in Fiscal 2015 to 10.0% in Fiscal 2017. Moreover, individual investment in the mutual fund industry has grown from 43.9% of total industry MAAUM as of March 31, 2014 to 51.4% of total industry MAAUM as of March 31, 2018, according to CRISIL. Individual customers tend to favor equity-oriented schemes, which generally have a higher fee structure compared to non-equity-oriented schemes. Individual customers also tend to have longer holding periods, according to CRISIL. As of March 31, 2018, of the total mutual fund industry AUM held for a period over 24 months 70.3% was held by individual customers, according to CRISIL.

Fluctuations in the underlying markets

Investment returns of our schemes are sensitive to market and interest rate fluctuations. Most schemes managed by us invest in equity and debt securities, the prices of which fluctuate based on, among other things, directional movements in the equity and debt markets as well as movements in interest rates. In general, when equity markets are in an upward trend, the values of our equity-oriented portfolios increase, and vice versa. In the fixed income markets, interest rate fluctuations have a bearing on the value of the securities we hold in the portfolios of our schemes. Any decline in the Indian equity markets causing a decline in the value of equity securities held in the portfolios of our schemes could cause our annual average AUM ("**AAAUM**") to decline and may prompt accelerated redemptions by customers. Similarly, fluctuations in interest rates can affect yields, which along with other factors such as changes in credit ratings can affect the prices of debt securities held in the portfolios of our schemes, resulting in changes in our AAAUM. Since the investment management fee that we charge for our services is based on the value of our AAAUM, any change in our AAAUM will directly affect our investment management fees and consequently affect our results of operations. Such decline may also lead to loss in investor sentiment and trigger changes in investor preferences, which may also adversely affect us. The equity and debt markets as well as interest rates in India have been and may continue to be volatile and any such volatility will contribute to fluctuations in our AAAUM. Fluctuations in the market could also affect the valuation of our customer's portfolio investments, which could affect the portfolio management fee and fee charged for other advisory services.

Our investment performance

Our AAAUM fluctuates with the net inflows or outflows of funds into our various schemes. The investment performance of our schemes is a crucial factor, which affects such inflows and outflows. Good investment performance usually acts as a trigger to stimulate inflows into a scheme and vice versa, and has the effect of increasing the value of the portfolios and in turn our AAAUM. In order to increase our AAAUM and expand our business, we intend to continue offering schemes and products that suit the investment needs of our customers and generate attractive returns over the long-term. Good investment performance increases the attractiveness of our schemes and products with customers resulting in higher inflows and a consequent increase in our revenues.

The investment performance of our schemes is and will continue to be, influenced by a variety of factors including the following:

- fluctuations in financial markets;
- the quality of our investment decision making process and research;
- fluctuations in the valuation of our portfolio holdings;
- the efficacy of our risk management framework; and
- our ability to attract and retain qualified and high quality investment professionals.

The value of our AAAUM has a significant impact on our financial results, since the investment management fees that we charge is based on our AAAUM. Our AAAUM for Fiscals 2016, 2017 and 2018 were ₹1,733.44 billion, ₹2,176.88 billion and ₹2,788.53 billion, respectively. Underperformance of our products and schemes or our failure to attract and retain customers, may adversely affect our AAAUM and consequently our revenue.

More specifically, a small number of our schemes represent a significant portion of our AUM. For example, as on March 31, 2018, our top six equity-oriented schemes constituted 79.1% of our total equity-oriented AUM and our top six debt schemes constituted 65.5% of our total debt AUM. The performance of these schemes has a significant impact on our AAAUM and consequently our revenue.

Mix of our assets under management, investment management fee and expense structure

As part of our mutual fund business, we offer multiple schemes that can broadly be categorized into equity-oriented, debt, liquid and other schemes. As part of our portfolio management and segregated accounts, we offer discretionary, non-discretionary and advisory services to HNIs, family offices, domestic corporates, trusts, provident funds and domestic and global institutions. Our revenue, profitability and future growth is and will be affected by our ability to retain and increase our AAAUM in our schemes and successfully design and distribute new schemes and products. Since the investment management fee that we charge for our schemes varies, an AAAUM mix, which comprises of higher revenue generating schemes can provide us with a higher revenue stream. To achieve profitable growth, our endeavor has been to constantly improve our AAAUM mix with a larger proportion of these high revenue generating schemes and products.

We generate a substantial portion of our revenue from investment management fees that we charge as a percentage of our AAAUM for the investment management services that we provide. In Fiscals 2016, 2017 and 2018, our investment management fees constituted 80.95%, 89.96% and 93.00% of our total revenue, respectively. Our portfolio management fee and fees charged for other advisory services constituted 15.58%, 3.25% and 1.25% of our total revenue in Fiscals 2016, 2017 and 2018, respectively.

Our investment management fees for each scheme is different. Changes in our overall investment management fees are primarily a result of a change in our AAAUM mix as well as adjustments in the investment management fees charged to each scheme. Our investment management fees may fluctuate because of many factors, including:

- appreciation or depreciation of the investment portfolios of our schemes as well as the level of inflows and redemptions by new and existing customers;
- differences in the weightage of schemes forming our AAAUM mix;
- differences in the investment management fees earned in particular schemes from time to time due to the changes in their composition;
- quantum of scheme expenses including commissions/brokerage charged to the schemes; and
- the limits imposed by regulators in the markets we operate. For example, SEBI imposes a cap on the Total Expense Ratio ("**TER**") for mutual fund schemes. The investment management fee is in general, the residual amount of the TER after charging the scheme with other expenses like commissions/brokerages and scheme operating expenses.

Additionally, with respect to our non-mutual fund services, the incentive fees that we are paid for our performance may be a material factor.

The table below sets out information on our AAAUM by scheme type:

	For the Fiscal year ended March 31,					
	2016		**2017**		**2018**	
	(₹ in billions)	**(% of total AAAUM)**	**(₹ in billions)**	**(% of total AAAUM)**	**(₹ in billions)**	**(% of total AAAUM)**
Equity-oriented	682.23	39.36	805.80	37.02	1,322.95	47.44
Debt	707.06	40.79	941.96	43.27	1,055.82	37.86
Liquid	335.13	19.33	418.69	19.23	397.14	14.24
Other.........................	9.02	0.52	10.40	0.48	12.62	0.45
Total	**1,733.44**	**100.00**	**2,176.87**	**100.00**	**2,788.53**	**100.0**

The investment management fees that we charge differ between scheme types and are also subject to regulatory limits. For example, the investment management fee that we charge in debt schemes is lower than the investment management fee that we charge with respect to equity-oriented schemes. The investment management fees that we charge in liquid schemes which are essentially treasury management tools used by corporate treasuries and other categories of customers are very nominal in comparison to our equity-oriented and debt schemes. In general, for equity-oriented schemes we are able to charge relatively stable fees, whereas fees charged for debt schemes may vary depending on market conditions, scheme duration and the competitive environment.

Each scheme has its own investment objective based on which a portfolio of securities is constructed. The books of accounts are maintained scheme wise. In the books of the scheme, a certain amount is charged towards fees and expenses in the form of TER, which is subject to SEBI regulations. From the TER charged, expenses related to managing the scheme, such as investment management fee, custody fee, registrar and transfer agents fee, brokerage/commissions, audit fee, trustee fee and bank charges are defrayed. The investment management fee and the brokerage costs (which is in the nature of trail brokerage) form the largest quantum of these expenses. The other expenses generally form a smaller proportion of the TER. In general, the investment management fee charged to the scheme is the residual amount of TER left after charging all other expenses of the scheme. While the TER of a scheme is capped by regulations, a TER lower than the regulatory cap may be charged in certain categories of schemes based on competitive environment. The investment management fee charged to the scheme in its books of accounts forms our revenue. For more details on TER, see "*Regulations and Policies*" on page 201 of this Prospectus.

We compensate our distributors for their efforts to distribute our schemes through brokerage. In general, brokerage are of two types that serve two different objectives. Upfront brokerage or advance trail is like an acquisition fee, which is paid to a distributor when a customer makes an investment. The second type of brokerage, that is, the trail brokerage is in the form of retention fee, which is paid to a distributor on a monthly basis until the customer retains investment in the scheme. Conventionally, trail brokerage is paid from the books of the scheme out of the TER charged to the scheme. Due to this two-tiered structure of brokerage, our net cost of sales is generally higher in the first year and lower in subsequent years. As a corollary, the net revenue generated by a unit of sale is generally lower in the first year and then higher in subsequent years.

We primarily categorize our expenses into employee benefit expenses, business promotion expenses and operating expenses. The latter two are covered in our Statement of Profit and Loss under 'Other Expenses'. Our other expenses also include expenses incurred for the development of our business and certain expenses that are administrative in nature. Expenses incurred in the development of our business include brokerage, incentives and mutual fund expenses, advance trail, and business promotion expenses. A substantial portion of these expenses are directly linked to the amount of gross sales in the schemes while the remaining portion of the expenses are in the nature of general business development expenses. Hence, these expenses would generally be higher in periods of high gross sales and relatively lower in periods of low gross sales. Our other expenses also include rent, travel expenses, professional services fees and other operating expenses. These expenses are relatively inelastic to the volume of sales but may vary based on changes in their underlying factors, such as, increase in rented area, inflation adjustments and other corporate initiatives.

Distribution capabilities

Our ability to attract and retain AUM has a significant impact on our financial results since the investment management fee that we charge for our schemes is based on the value of our AAAUM. Accordingly, we have established a wide marketing and distribution network to promote our schemes and products, and to increase fund inflows into our schemes.

As of March 31, 2018, we served customers in over 200 cities through our pan-India network of 209 branches (and a representative office in Dubai) and service centres of our RTA, which is supported by a strong and diversified network of over 65,000 empaneled distribution partners across India, consisting of IFAs, national distributors and banks. As of March 31, 2018, IFAs, national distributors and banks generated 27.6%, 21.0%, 17.3% of our total AUM, respectively, while the remaining 34.1% was invested in direct plans. In terms of our equity-oriented AUM, IFAs, national distributors and banks generated 39.2%, 24.2%, 19.1% of our equity-oriented AUM, respectively, while the remaining 17.5% was invested in direct plans, as of March 31, 2018. As of March 31, 2018, 60 of our branches were located in T-15 cities and 149 were located in B-15 cities in India, where we have the second highest market share of 12.7%, according to CRISIL. Our share of MAAUM from T-15 and B-15 cities as of March 31, 2018 was 81.9% and 18.1%, respectively. We enhance our distribution channels' efforts with marketing campaigns. We believe that our focus on technology has enriched our customers' experience and has enhanced the productivity of our employees and distributors. We offer our schemes, products and services through our online portal, HDFC MFOnline and mobile applications.

Our results depend on our ability to increase business with our current distributors, enter into new distribution partnerships, and develop innovative methods of marketing and distributing our schemes. Our ability to maintain and grow our distribution partnerships will enhance our ability to reach underpenetrated segments of the market, including the B-15 cities where we expect the demand for schemes to increase going forward.

We intend to distribute our schemes, products and advisory services on a long-term basis by effectively managing our distribution channels in a highly competitive market, enhance our sales force training, improve sales skills and by attracting, developing and retaining strong performers to ensure quality service across all our distribution channels. We also attract business through direct plans.

Industry competition

The financial services industry is rapidly evolving and is intensely competitive. We have been the most profitable asset management company in India in terms of net profits since Fiscal 2013, according to CRISIL. We had a total AUM of ₹2,919.85 billion as of March 31, 2018. Our profits have grown every year since the first full year of operations in Fiscal 2002. We have been the largest asset management company in India in terms of equity-oriented AUM since the last quarter of Fiscal 2011 and have consistently been among the top two asset management companies in India in terms of total average AUM since the month of August 2008, according to CRISIL. As of March 31, 2018, our equity-oriented AUM and non-equity-oriented AUM constituted ₹1,497.13 billion and ₹1,422.73 billion, respectively, of our total AUM. Our actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) constituted ₹1,449.25 billion of our total AUM as of March 31, 2018. Our AUM has grown at CAGR of 25.5% between March 31, 2013 and 2018 and at a CAGR of 33.9% since Fiscal 2001. Our proportion of equity-oriented AUM to total AUM was at 51.3%, which was higher than the industry average of 43.2%, as of March 31, 2018, according to CRISIL. As of March 31, 2018, our market share of total AUM was 13.7% and of actively managed equity-oriented AUM (which excludes index linked and arbitrage schemes) was 16.8% among all asset management companies in India, according to CRISIL.

Our fee structure and our expenses depend on the competitive landscape in which we operate. We face significant competition from companies seeking to attract customers' financial assets, including traditional and online brokerage firms, other mutual fund companies and larger financial institutions. Mutual funds also compete with products such as insurance, bank deposits, pension products, small savings schemes, as well as gold and real estate. Increased competition may either result in a decrease in market share of our AUM or increase brokerage or commission costs, and other acquisition costs, which could reduce our profits.

While we are in the process of setting up our AIF business, we also face competition from other AIFs in India. The new AIF regulations allow more flexibility in structuring various kind of funds. We also face competition from other asset management companies that provide portfolio management and segregated accounts services.

See "*Risk Factors— We face competition from other asset management companies, alternate investment funds and other companies providing portfolio management and segregated accounts services*" on page 25 of this Prospectus.

Key Performance Indicators

In evaluating our business, we consider and use certain non-GAAP financial measures and key performance indicators that are presented below as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures and key performance indicators are not intended to be considered in isolation or as a substitute for the Restated Financial Statements included in this Prospectus. We present these non-GAAP financial measures and key performance indicators because they are used by our management to evaluate our operating performance. These non-GAAP financial measures are not defined under Indian GAAP and are not presented in accordance with Indian GAAP. The non-GAAP financial measures and key performance indicators have limitations as analytical tools. Further, these non-GAAP financial measures and key performance indicators may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these matrices should not be considered in isolation or construed as an alternative to Indian GAAP measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

The following table sets forth certain key performance indicators for the periods indicated therein.

	For the Fiscal ended March 31,		
	2016	2017	2018
	(*in ₹ except percentages*)		
AAAUM (₹ billion)	1,733.44	2,176.87	2,788.53
Equity-oriented AAAUM (₹ billion)	682.23	805.80	1,322.95
Total number of systematic transactions (millions)	19.77	21.56	30.05
Average size of a systematic transaction (₹)..........................	2,988	3,137	3,880.48
Systematic net flows in equity-oriented schemes (₹ billion)	56.09	64.15	111.58
Profit after tax (₹ millions)*	4,778.80	5,502.46	7,216.16
Profit after tax as a percentage of AAAUM (%)	0.28	0.25	0.26
Return on average net worth (%)	42.08	42.75	40.28
	As at March 31,		
	2016	2017	2018
Live Accounts (millions)	5.58	6.19	8.10
Individual MAAUM (₹ billion) (last month of relevant Fiscal/period)	945.21	1,350.31	1,862.54

* For a discussion on our profit after tax, please see "– *Our Results of Operations*" on page 346 of this Prospectus.

AAAUM and Equity-oriented AAAUM

AAAUM is defined as the annual average assets under management across our schemes.

Our AAAUM increased by 25.58% from ₹1,733.44 billion in Fiscal 2016 to ₹2,176.87 billion in Fiscal 2017, and further increased by 28.10% to ₹2,788.53 billion in Fiscal 2018.

Equity-oriented AAAUM is defined as the annual average assets under management across our equity-oriented schemes. Our equity-oriented AAAUM increased by 18.11% from ₹682.23 billion in Fiscal 2016 to ₹805.80 billion in Fiscal 2017, and further increased by 64.18% to ₹1,322.95 billion in Fiscal 2018. The increase in our AAAUM and Equity-oriented AAAUM between Fiscals 2016 and 2018 is mainly attributable to increase in our net sales and appreciation in the portfolios of our schemes. For details on our equity-oriented schemes, see "*Our Business – Our Mutual Fund Business – Equity-oriented schemes*" on page 186 of this Prospectus.

Systematic transactions

Systematic transactions include systematic investment plans ("**SIP**"), systematic transfer plans ("**STP**") and systematic withdrawal advantage plans ("**SWAP**"). For details of each type of plan, see "*Our Business – Our Mutual Fund Business – Systematic Transactions*" on page 191 of this Prospectus.

Systematic transactions are an important source of AAAUM for our schemes and have increased from 19.77 million in Fiscal 2016 to 30.05 million transactions in Fiscal 2018. In terms of value, the average systematic transaction in equity-oriented schemes has increased from ₹2,988 in Fiscal 2016 to ₹3,880.48 in Fiscal 2018. Systematic net flows in equity-oriented schemes during Fiscal 2016 were ₹56.09 billion which increased to ₹111.58 billion in Fiscal 2018.

Building a stable pipeline of systematic transactions is a key element of our business strategy as they provide us with regular and predictable inflows into our schemes. The general increase in the average size and number of systematic transactions has primarily been a result of the success of the measures taken by our management team to promote this mode of investment into our schemes by increasing awareness among customers of their benefits.

Profit after tax as a percentage of AAAUM

Our profit after tax as a percentage of AAAUM is an indicator of the profitability of our operations.

Our profit after tax as a percentage of AAAUM was at 0.28% in Fiscal 2016, which decreased to 0.25% in Fiscal 2017 and increased to 0.26% in Fiscal 2018. The change in our profit after tax as a percentage of AAAUM between Fiscals 2016 and 2018 is mainly attributable to change in the composition of our product mix as well as rising acquisition costs. Our product mix comprised lower growth rate of high margin AAAUM as compared to the growth rate of AAAUM.

Our AAAUM has grown at a CAGR of 23.1% since Fiscal 2013 and our profits have grown at a CAGR of 32.2% since our first full year of operations in Fiscal 2002. We have been the most profitable asset management company in India in terms of net profits and total revenue since Fiscal 2013 and had the highest share of net profits and total revenue of 18.8% and 13.5%, respectively, among asset management companies in India as of March 31, 2017, according to CRISIL.

Return on average net worth

Return on average net worth is defined as profit after tax as a percentage of average net worth. Net worth means the aggregate of the paid up share capital, securities premium account, and other reserves and surplus, excluding revaluation reserve, as restated at the end of the Fiscal year. We do not have any revaluation reserve. Return on average net worth is an indicator of our profitability in relation to our total net worth.

Our return on average net worth increased from 42.08% in Fiscal 2016 to 42.75% in Fiscal 2017. The increase in our return on average net worth is mainly attributable to consistent growth in our profits. Our return on average net worth was 40.28% in Fiscal 2018. Our return on average net worth is lower in Fiscal 2018 due to increase in our net worth. Our net worth primarily increased due to issue of equity shares on exercise of stock options.

Live Accounts

A Live Account refers to a positive balance investment by an investor in a mutual fund scheme.

Live Accounts are in general an indicator of the number of customers that have invested in a scheme. However, a customer may have more than one Live Account. Our Live Accounts increased by 10.90% from 5.58 million as of March 31, 2016 to 6.19 million as of March 31, 2017. Our Live Accounts increased by 30.76% from 6.19 million as of March 31, 2017 to 8.10 million as of March 31, 2018. The increase in Live Accounts between March 31, 2016 and March 31, 2018 is mainly attributable to an increase in customer interest to invest in our schemes.

Individual MAAUM

Individual MAAUM is defined as the monthly average AUM invested by individuals.

Our individual MAAUM increased by 42.86% from ₹945.21 billion as of March 31, 2016 to ₹1,350.31 billion as of March 31, 2017, and further increased by 37.93% to ₹1,862.54 billion as of March 31, 2018. The increase in our individual MAAUM between March 31, 2016 and March 31, 2018 is mainly attributable to increased preference of our schemes among individual investors.

As of March 31, 2018, our MAAUM from individual customers accounted for 62.2% of our MAAUM, compared to the industry average of 51.4%, for the same period, according to CRISIL.

Transition to Indian Accounting Standards

The Restated Financial Statements and other financial information included in this Prospectus are based on our financial statements prepared in accordance with the Indian GAAP. The Institute of Chartered Accountants of India has issued Ind AS (a revised set of accounting standards) which largely converges Indian accounting standards with International Financial Reporting Standards. The Ministry of Corporate Affairs, which is the law making authority for adoption of accounting standards in India, has notified these Ind AS for adoption. Further, the ministry has also issued a roadmap for transition to Ind AS by Indian companies in a phased manner starting from April 1, 2016. In terms of a notification released by the MCA, we are required to prepare our financial statements in accordance with Ind AS for accounting periods beginning on April 1, 2018. Given that Ind AS is different in many respects from Indian GAAP, under which we currently prepare our financial statements, the transition to Ind AS may have a significant impact on our financial results and position. See "*Summary of significant differences between Ind AS and Indian GAAP*" on page 324 of this Prospectus. We have made no attempt to quantify or identify the impact of the differences between Indian GAAP and Ind AS applied to our financial statements. However, based on our preliminary evaluation, the noteworthy areas of Indian GAAP differences relevant to us could be the method of accounting of income on investments and accounting for employee stock options and changes, if any, required under IND AS 115 which deals with revenue from contracts with customers and their associated costs.

For further details, see "*Risk Factors – Changes in the accounting standards used in the reporting of our financial statements due to new pronouncements such as Ind AS, interpretations, migration to new standards or even due to our own decision to change accounting policies may significantly affect our financial statements for the future years, and may materially and adversely affect our financial condition*" on page 47 of this Prospectus.

Critical Accounting Policies

The following section discusses our critical accounting policies. Management believes that the critical accounting policies and estimates discussed below involve significant estimates or judgment due to the sensitivity of the methods and assumptions used.

Basis of preparation

The Restated Standalone Summary Statement of Assets and Liabilities of the Company as at March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and the related Restated Standalone Summary Statement of Profit and Loss and Restated Standalone Summary Statement of Cash Flows for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 and annexures thereto (herein collectively referred to as 'Restated Standalone Summary Financial Information') have been compiled by the management from the respective Audited Standalone Financial Statements of the Company for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 which, were originally approved by the Board of Directors of the Company at that relevant time.

The Audited Standalone Financial Statements of the Company for the years ended March 31, 2018, March 31, 2017, March 31, 2016, March 31, 2015 and March 31, 2014 were prepared in accordance with Indian GAAP. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies Act, 1956 and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified Sections, Schedules and Rules of the Companies Act, 2013 (with effect from April 1, 2014) ("the Act"), including the Accounting Standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable. These Standalone Financial Statements were prepared using the historical cost convention on an accrual basis. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Restated Standalone Summary Financial Information have been prepared specifically for the inclusion in the offer document to be filed or registered by the Company with SEBI, the stock exchanges where our Equity Shares are proposed to be listed (the "Stock Exchanges") and the relevant Registrar of Companies in India (the "ROC") in connection with the proposed initial public offering of the Company.

The Restated Standalone Summary Financial Information has been prepared to comply in all material respects with the requirements of sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009 as amended from time to time ("the SEBI ICDR Regulations") Further, the Restated Standalone Summary Financial Information has been prepared using presentation and disclosure requirements of the Schedule III of Companies Act 2013.

Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Income recognition

Revenue is recognised to the extent there is reasonable certainty of its ultimate realisation and it can be reliably measured.

Investment Management fees, Portfolio Management Fees, other Advisory Fees are recognised on accrual basis.

Dividend income is recognised when the right to receive the same is established.

Interest income (net of amortized premium or accreted discount, if any) is recognised on a time proportion basis.

Gains / losses on sale of investments are recognised on the trade date. Gain / loss on sale of investments is determined on weighted average cost basis.

Income from Investment in venture capital fund or alternate investment fund is recognised on the basis of income distribution by the respective venture capital fund or alternate investment fund.

Brokerage

Upfront brokerage paid for Equity Linked Saving Schemes and Closed Ended Schemes is amortised over a period of 36 months and over the tenure of the scheme respectively. Advance Trail commission is amortised over the contractual period.

Brokerage paid in advance in respect of Portfolio Management Business is amortised over the contractual period.

Investments

Investments are classified as Current or Long term based on intention of the management at the time of purchase of such investments. Long-term investments are stated at cost of acquisition or at amortised cost, if acquired at a premium over face value. Premium over face value is amortised over the remaining period to maturity on a straight-line basis. Provision for diminution is recognised for a decline, if any, which is other than temporary in the value of Long Term investments. Current investments are valued at lower of cost and market value on an individual basis. On disposal of an investment, difference between the carrying amount and net disposal proceeds is charged / credited to the Statement of Profit and Loss.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation / amortization as adjusted for impairment, if any. The cost of acquisition is inclusive of taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets. Subsequent expenditure incurred on assets in use is capitalized only when it increases the future benefit / functioning capability from / of such assets.

All expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts are charged to Statement of Profit and Loss during the period in which they are incurred.

Gains or Losses arising from disposal of fixed assets are measured as the difference between the net disposal proceeds and carrying amount of the asset and is recognised in the Statement of Profit and Loss when the asset is disposed.

Cash and cash equivalents

Cash and cash equivalents represent cash in hand, balance with scheduled banks in current account and short term deposits with banks with an original maturity of three months or less.

Employee benefits

Defined Contribution Plan

The Company contributes to a Recognised Provident Fund for its employees. The Company's contributions are charged to the Statement of Profit and Loss.

Defined Benefit Plan

The Company's contribution in the case of gratuity is funded annually with a life insurance company. The Company's gratuity benefit scheme is a defined benefit plan. The net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine its present value and the fair value of plan assets, if any, is deducted from such determined present value. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation by an independent actuary using Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Other Long Term Employee Benefits

Other long term employee benefits include accumulated compensated absences that are entitled to be carried forward for future availment subject to Company's policies. The Company's liability towards accumulated compensated absences are accrued and provided for on the basis of an actuarial valuation using Projected Unit Credit Method at the end of the reporting period.

Employee Stock Option Scheme ('ESOS')

The ESOS provides for the grant of options to acquire equity shares of the Company to its employees. The period of vesting and period of exercise are as specified within the respective scheme. The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured by the excess, if any, of the fair value of the underlying equity shares over the exercise price as determined under the option plan as on the grant date. The fair value of the Company's underlying equity shares is determined in accordance with the pricing formula approved by the Nomination & Remuneration Committee. Compensation cost, if any, is amortised over the vesting period.

Income tax

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax expense is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is recognised when the said liabilities are accepted by the Company.

In accordance with the Accounting Standard on "Accounting for Taxes on Income" (AS-22), the deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

Scheme expenses

Recurring expenses of schemes of HDFC Mutual Fund borne by the Company are recognised under the respective expense heads in the Statement of Profit and Loss.

In accordance with Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, recurring scheme expenses borne by the Company in excess of the limits prescribed by SEBI are disclosed under Mutual Fund expense in the Statement of Profit and Loss. New Fund Offer ("NFO") expenses on the launch of schemes are borne by the Company.

Provisions, contingent liabilities and contingent assets

In accordance with the Accounting Standard on "Provisions, Contingent Liabilities and Contingent Assets" (AS-29), provisions comprise liabilities of uncertain timing or amount. Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reasonable estimate can be made.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements.

Principal Components of our Restated Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our restated statement of profit and loss.

Revenue

Revenue from Operations

Our revenue from operations primarily consists of investment management fees that we charge to the mutual fund. This fee is calculated as a percentage of the AAAUM of the schemes. Our revenue from operations also includes revenue earned from portfolio management fees and advisory fees that we generate from providing portfolio management and advisory services. Our management fees vary depending on the type of scheme and product. For example, the management fee that we charge in equity-oriented schemes will be higher than the fee that we charge in debt schemes. Our investment management fee fluctuates based on the total value of our AAAUM, its composition, and changes in the investment management fee rates that we charge to the schemes. Our revenue from operations also includes performance-based fees on portfolio management services and advisory mandates wherever applicable.

Other Income

Our other income consists largely of interest income, dividend income, other miscellaneous income and net gain or loss on sale of investments. According to Indian GAAP, Income from investments is recognized on sale of investments. These are generally booked in the last quarter of a Fiscal year.

Expenses

We broadly categorize our expenses into three categories, employee benefit expenses, expenses incurred for business development and operating expenses. The latter two are covered in our Statement of Profit and Loss under 'Other Expenses'.

Employee Benefits Expense

Our employee benefits expense includes salaries, allowance and bonus, contributions made to provident funds and other schemes, and expenses incurred for staff welfare and training.

Depreciation and amortization expense

Our depreciation and amortization expense consists of depreciation of our tangible assets and amortization of our intangible assets. Our tangible assets include buildings, furniture and fixtures, vehicles, office equipment, computer equipment, electrical installations and improvements made to rented premises. Our intangible assets include our goodwill and computer software.

Other Expenses

As stated above, our other expenses consist of two broad categories, 'brokerage and business promotion expenses' and 'operating expenses'. A significant quantum of our other expenses consists of brokerage or commissions paid to distributors, business promotion expenses and certain expenses incurred in relation to our schemes. Our other expenses also include expenses that are administrative in nature incurred on rent, professional services fees, repair and maintenance, insurance, rates and taxes, printing and courier, outsourced service costs and other miscellaneous expenses.

Tax Expense

Our tax expense consists of current tax and deferred tax.

Our Results of Operations

The following table sets forth our selected financial data from our Restated Statement of Profit and Loss for Fiscals 2016, 2017 and 2018.

	For the Fiscal ended March 31,		
	2016	**2017**	**2018**
		(*₹ in million*)	
Revenue			
Revenue from Operations	14,425.45	14,800.35	17,597.51
Other Income	517.97	1,078.75	1,074.95
Total Revenue	**14,943.42**	**15,879.10**	**18,672.46**
Expenses			
Employee Benefits Expense	1,431.87	1,575.51	1,749.48
Depreciation and Amortization Expense	110.60	119.64	114.40
Other Expenses	6,318.45	6,185.94	6,183.43
Total Expenses	**7,860.92**	**7,881.09**	**8,047.31**
Profit before Tax	**7,082.50**	**7,998.01**	**10,625.15**
Tax Expense			
Current Tax	2,309.80	2,450.18	3,412.78
Deferred Tax	(6.10)	45.37	(3.79)
Profit after Tax	**4,778.80**	**5,502.46**	**7,216.16**

Fiscal 2018 Compared to Fiscal 2017

Revenue

Our revenue from operations increased from ₹14,800.35 million in Fiscal 2017 to ₹17,597.51 million in Fiscal 2018, primarily due to an increase in the investment management fee by 21.56% from ₹14,284.53 million in Fiscal 2017 to ₹17,364.79 million in Fiscal 2018. This increase was primarily due to an increase in our AAAUM as described in the table below.

The growth in our AAAUM in Fiscal 2018 from Fiscal 2017 is described below by scheme type:

(*₹ in billions based on AAAUM*)	For the Fiscal ended March 31, 2017	2018	Period-to-Period Change	% Change
Equity-oriented	805.80	1,322.95	517.14	64.18
Debt	941.96	1,055.82	113.86	12.09
Liquid	418.69	397.14	(21.55)	(5.15)
Other	10.40	12.62	2.21	21.27
Total AAAUM	**2,176.87**	**2,788.53**	**611.66**	**28.10**

Our AAAUM increased to ₹2,788.53 billion in Fiscal 2018 as compared to ₹2,176.87 billion in Fiscal 2017, primarily due to net sales during this period and change in valuation of net assets.

Our other income decreased by 0.35% from ₹1,078.75 million in Fiscal 2017 to ₹1,074.95 million in Fiscal 2018, primarily because of the reversal of the provision for contingencies of ₹150.00 million in Fiscal 2017. This Provision for Contingencies represented a provision against contingencies, such as open matters with the regulators and claims, if any, concerning our business including the portfolio management and segregated accounts business. For more details on the concerned contingency for which the provision of contingencies was primarily set up, please see "*Note 15 of annexure XXIV to the Restated Standalone Summary Financial Information*" on page 318 of this Prospectus. However, there was an increase in net gains from sale of our current investments by 15.58% in Fiscal 2018 due to booking of investment income, which we usually book in the last quarter of the Fiscal year. Apart from this, we derived a higher dividend from current investments by 127.40% in Fiscal 2018 compared to Fiscal 2017.

Expenses

Our total expenses increased by 2.11% from ₹7,881.09 million in Fiscal 2017 to ₹8,047.31 million in Fiscal 2018 primarily due to increase in our employee benefit expenses and other expenses and decrease in our brokerage, incentives, fees and mutual fund expenses.

Our employee benefit expenses increased by 11.04% from ₹1,575.51 million in Fiscal 2017 to ₹1,749.48 million in Fiscal 2018, primarily due to an increase in salaries, allowances and bonus paid to employees. This increase was primarily because of increase in our number of employees during Fiscal 2018 and increase in the regular increments paid to employees. However, our employee benefit expenses as a percentage of total AAAUM decreased from 0.07% in Fiscal 2017 to 0.06% in Fiscal 2018.

Our other expenses decreased by 0.04% from ₹6,185.94 million in Fiscal 2017 to ₹6,183.43 million in Fiscal 2018 primarily due to a decrease in incentives, fees and mutual fund expenses which was partially offset by an increase in brokerage expenses in Fiscal 2018 due to higher inflows of investments in Fiscal 2018 compared to Fiscal 2017. Our business promotion expenses increased from ₹520.03 million in Fiscal 2017 to ₹784.87 million in Fiscal 2018 due to increase in general business activities. Other administrative expenses increased from ₹1,473.15 million in Fiscal 2017 to ₹1,711.64 million in Fiscal 2018, which was mainly attributable to increase in our rental, printing & courier and outsourced services costs. Our operating expenses (including depreciation and amortization) increased from ₹1,592.79 million in Fiscal 2017 to ₹1,826.04 million in Fiscal 2018. However, as a percentage of AAAUM, our operating expenses remained same at 0.07% in Fiscals 2017 and 2018.

Profit Before Tax

Our profit before tax increased by 32.85% to ₹10,625.15 million in Fiscal 2018 as compared to ₹7,998.01 million in Fiscal 2017.

Tax Expenses

Our total tax expenses increased by 36.60% to ₹3,408.99 million in Fiscal 2018 as compared to ₹2,495.55 million in Fiscal 2017, primarily due to an increase in current tax. Our current tax increased by 39.29% to ₹3,412.78 million in

Fiscal 2018 as compared to ₹2,450.18 million in Fiscal 2017, primarily due to increase in our profit. Our effective tax rate, including deferred tax was 32.08% and 31.20% for Fiscals 2018 and 2017, respectively.

Profit After Tax

As a result of the factors outlined above, our profit after tax increased by 31.14% to ₹7,216.16 million in Fiscal 2018 as compared to ₹5,502.46 million in Fiscal 2017.

Fiscal 2017 Compared to Fiscal 2016

Revenue

Our investment management fee increased by 18.08% from ₹12,097.36 million in Fiscal 2016 to ₹14,284.53 million in Fiscal 2017. This increase was primarily due to an increase in our AAAUM as described in the table below.

In Fiscal 2016, we derived ₹2,165.55 million as a performance fee from our non-mutual fund real estate portfolio ("**REP**"), which is accounted for in portfolio management fee and fee from other advisory services. The end date of REP was in Fiscal 2016 and hence we did not derive any revenue from REP in Fiscal 2017. This contributed to an overall decrease in our portfolio management fees and fee from advisory services fee from ₹2,328.09 million in Fiscal 2016 to ₹515.82 million in Fiscal 2017. Despite the drop in revenue on this account, our revenue from operations increased from ₹14,425.45 million in Fiscal 2016 to ₹14,800.35 million in Fiscal 2017. Excluding the REP performance fees received in Fiscal 2016, our total revenue in Fiscal 2016 was ₹12,777.87 million and increased by 24.27% to ₹15,879.10 million in Fiscal 2017. Overall, our total revenue increased from ₹14,943.42 million in Fiscal 2016 to ₹15,879.10 million in Fiscal 2017 an increase of 6.26%.

The growth in our AAAUM in Fiscal 2017 from Fiscal 2016 is described below by scheme type:

	For the Fiscal ended March 31,		**Period-to-Period**	
(*₹ in billions based on AAAUM*)	**2016**	**2017**	**Change**	**% Change**
Equity-oriented	682.23	805.80	123.58	18.11
Debt	707.06	941.96	234.91	33.22
Liquid	335.13	418.69	83.56	24.94
Other	9.02	10.40	1.38	15.29
Total AAAUM	1,733.44	2,176.87	443.42	25.58

Our AAAUM increased to ₹2,176.87 billion in Fiscal 2017 as compared to ₹1,733.44 billion in Fiscal 2016, primarily due to net sales during this period and change in valuation of net assets.

Our other income increased by 108.26% from ₹517.97 million in Fiscal 2016 to ₹1,078.75 million in Fiscal 2017, primarily because of an increase in net gains from sale of our current and non-current investments by 181.72% due to booking of investment income, which we usually book in the last quarter of the Fiscal year.

Expenses

Our total expenses increased by 0.26% from ₹7,860.92 million in Fiscal 2016 to ₹7,881.09 million in Fiscal 2017 primarily due to increase in our employee benefit expenses and other expenses and decrease in our brokerage, incentives, fees and mutual fund expenses.

Our employee benefit expenses increased by 10.03% from ₹1,431.87 million in Fiscal 2016 to ₹1,575.51 million in Fiscal 2017, primarily due to an increase in salaries, allowances and bonus paid to employees and an increase in contributions made to provident and other schemes. This increase was primarily because of increase in our number of employees during Fiscal 2017 and increase in the regular increments paid to employees. However, our employee benefit expenses as a percentage of total AAAUM decreased from 0.08% in Fiscal 2016 to 0.07% in Fiscal 2017.

Our other expenses decreased by 2.10% from ₹6,318.45 million in Fiscal 2016 to ₹6,185.94 million in Fiscal 2017 primarily due to a decrease in expenses incurred for brokerage, incentives, fees and mutual fund expenses from ₹4,566.23 million in Fiscal 2016 to ₹4,192.76 million in Fiscal 2017. This decrease was mainly attributable to closure of the REP and its related sharing of performance fees amounting to ₹1,082.78 million in Fiscal 2016. Our business promotion expenses increased from ₹379.19 million in Fiscal 2016 to ₹520.03 million in Fiscal 2017 due to increase in general business activities. Other administrative expenses increased from ₹1,373.03 million in Fiscal 2016 to ₹1,473.15 million in Fiscal 2017, which was mainly attributable to increase in our rental, professional fees and outsourced services costs. Our operating expenses (including depreciation and amortization) increased from ₹1,483.63 million in Fiscal 2016 to ₹1,592.79 million in Fiscal 2017. However, as a percentage of AAAUM, our operating expenses decreased from 0.09% in Fiscal 2016 to 0.07% in Fiscal 2017.

Profit Before Tax

Our profit before tax increased by 12.93% to ₹7,998.01 million in Fiscal 2017 as compared to ₹7,082.50 million in Fiscal 2016.

Tax Expenses

Our total tax expenses increased by 8.33% to ₹2,495.55 million in Fiscal 2017 as compared to ₹2,303.70 million in Fiscal 2016, primarily due to an increase in current tax and deferred tax. Our current tax increased by 6.08% to ₹2,450.18 million in Fiscal 2017 as compared to ₹2,309.80 million in Fiscal 2016, primarily due to increase in our profit. Our effective tax rate, including deferred tax was 31.20% and 32.53% for Fiscals 2017 and 2016, respectively.

Profit After Tax

As a result of the factors outlined above, our profit after tax increased by 15.14% to ₹5,502.46 million in Fiscal 2017 as compared to ₹4,778.80 million in Fiscal 2016. Excluding the REP performance fee and sharing of the same in Fiscal 2016, our profit after tax for Fiscal 2016 would have been ₹4,048.26 million. We have applied our effective tax rate to consider the taxation impact.

Our Financial Position

The following table shows a breakdown of our financial position from our summary balance sheet for the periods indicated.

	As of March 31,		
	2016	2017	2018
		(₹ *in millions*)	
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	251.64	251.67	1,052.78
Reserves and Surplus	11,260.58	13,977.74	20,546.90
NON-CURRENT LIABILITIES			
Long-Term Provisions	150.00	8.04	7.78
CURRENT LIABILITIES			
Trade Payables	1,719.79	960.62	1,115.76
(Other than micro enterprises and small enterprises)			
Other Current Liabilities	845.16	796.87	981.86
Short-Term Provisions	–	0.96	1.12
	2,564.95	1,758.45	2,098.74
TOTAL	**14,227.17**	**15,995.90**	**23,706.20**
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
- Property, Plant and Equipment	227.69	226.34	245.84
- Intangible Assets	83.92	85.46	82.08
- Intangible Assets Under Development	10.97	24.19	59.63
	322.58	335.99	387.55
Non-Current Investments	1,598.58	1,687.97	6,395.42
Deferred Tax Assets (net)	138.90	93.53	97.32
Long-Term Loans and Advances	973.81	690.16	616.67
	3,033.87	2,807.65	7,496.96
CURRENT ASSETS			
Current Investments	8,259.27	10,678.58	13,110.18
Trade Receivables	385.70	850.91	902.79
Cash and Bank Balances	9.80	12.74	20.67
Short-Term Loans and Advances	1,721.35	1,627.51	2,054.68
Other Current Assets	817.18	18.51	120.92
	11,193.30	13,188.25	16,209.24
TOTAL	**14,227.17**	**15,995.90**	**23,706.20**

Our Share Capital has increased from ₹251.64 million as of March 31, 2016 to ₹1,052.78 million as of March 31, 2018, primarily because of issuance of equity shares in connection with the exercise of stock options and issuance of bonus shares in February 2018. For further details on the changes in our share capital, see "*Capital Structure – Share Capital History*" on page 80 of this Prospectus.

Our Reserves and Surplus increased from ₹11,260.58 million as of March 31, 2016 to ₹20,546.90 million as of March 31, 2018, primarily because of the accrual of net profits between Fiscals 2016 and Fiscal 2018. In addition to accrual of net profits, our Reserves and Surplus further increased between March 31, 2017 and March 31, 2018, primarily because of issuance of equity shares in connection with the exercise of stock options, which resulted in an increase in the Securities Premium Account.

Our total assets increased from ₹14,227.17 million as of March 31, 2016 to ₹23,706.20 million as of March 31, 2018, primarily due to an increase in our investments.

Our total liabilities decreased from ₹2,714.95 million as of March 31, 2016 to ₹2,106.52 million as of March 31, 2018, primarily due to decrease in trade payables.

Liquidity and Capital Resources

As of March 31, 2018, our cash and cash equivalents were ₹19.54 million. Our financing requirements are primarily for working capital.

We fund our operations and capital requirements primarily through cash flows from revenue from operations. We expect that cash flow from revenue from operations will continue to be our principal sources of cash in the long-term. We evaluate our funding requirements periodically in light of our net cash flow from operating activities, the progress of our mutual fund products, acquisition opportunities and market conditions.

After taking into account the expected cash to be generated from operations, we expect to have sufficient liquidity for our present as well for anticipated requirements for capital expenditure and working capital for 12 months following the date of this Prospectus.

Cash Flow

	For the Fiscal ended March 31,		
	2016	**2017**	**2018**
		(*₹ in millions*)	
Net cash from/(used in) operating activities	7,420.22	4,548.57	6,201.43
Net cash from/(used in) investing activities.........................	(2,970.68)	(1,760.34)	(6,347.63)
Net cash from/(used in) financing activities	(4,465.49)	(2,785.28)	154.11
Net increase/(decrease) in cash and cash equivalents	(15.95)	2.95	7.91
Cash and cash equivalents at the beginning of the period/year	24.63	8.68	11.63
Cash and cash equivalents at the end of the period/year......	8.68	11.63	19.54

Net cash from/(used in) operating activities

Our cash flow from operations largely depends on our net profits. We have been profitable in each of Fiscals 2016, 2017 and 2018, generating sufficient cash flow from our operations. We have been able to meet all our working capital requirements through the cash generated from our operations.

Our net cash flow from operating activities increased from ₹4,548.57 million in Fiscal 2017 to ₹6,201.43 million in Fiscal 2018, primarily attributed to increase in operating profit before working capital changes, increase in current and non-current loans and advances, and increase in current and non-current liabilities.

Our net cash flow from operating activities decreased from ₹7,420.22 million in Fiscal 2016 to ₹4,548.57 million in Fiscal 2017, primarily attributed to a decrease in current and non-current liabilities.

Net cash from/(used in) investing activities

Our net cash flow from/used in investing activities is determined largely by our purchases and sales of investments.

Our net cash flow used in investing activities increased from ₹1,760.34 million in Fiscal 2017 to ₹6,347.63 million in Fiscal 2018, primarily attributed to increase in purchase of investments and partially offset by proceeds from sale of investments.

Our net cash flow used in investing activities decreased from ₹2,970.68 million in Fiscal 2016 to ₹1,760.34 million in Fiscal 2017, primarily attributed to decrease in purchase of investments and partially offset by proceeds from sale of investments.

Net cash from/(used in) financing activities

Our net cash flow used in financing activities is primarily determined by the amount of our dividend payments. We paid dividends in Fiscals 2016, 2017 and 2018.

Our net cash flow received from financing activities increased to ₹154.11 million in Fiscal 2018 as compared to net cash flow used in financing activities of ₹2,785.28 million in Fiscal 2017. This increase was mainly attributable to receipt of proceeds from issuance of share capital as a result of exercising of stock options by the employees.

Our net cash flow used in financing activities decreased from ₹4,465.49 million in Fiscal 2016 to ₹2,785.28 million in Fiscal 2017, attributed to buyback of equity shares in Fiscal 2016.

Capital Expenditure

For Fiscals 2016, 2017 and 2018, our capital expenditures were ₹84.27 million, ₹120.71 million and ₹130.54 million, respectively. All of our capital expenditures were incurred to acquire various class of tangible and intangible fixed assets.

Indebtedness

As of March 31, 2018, we had no indebtedness.

Contractual Obligations

The table below sets forth our contractual obligations with definitive payment terms as of March 31, 2018.

Other contractual obligations

	Total	**Less than 1 year**	**1 -5 years**	**More than 5 years**
		(*₹ in millions*)		
Non-cancellable leasing arrangements for certain premises................................	39.76	23.11	16.65	–
Total...	39.76	23.11	16.65	–

Contingent Liabilities and Commitments

The following table sets forth our contingent liabilities as of March 31, 2018:

	As of March 31, 2018
	(₹ in millions)
Disputed income tax demand..	6.43
Estimate of contracts to be executed..	598.51

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to various types of market risks during the normal course of business.

Our exposure to market risks is directly related to our role as the investment manager to HDFC Mutual Fund and other portfolio managed accounts and advisory services. Substantially all of our revenues are derived from investment management fees we receive for our services and it is based on the value of our AUM and our fee rates. Our performance is also subject to the general economic conditions in India, the performance of the corporate sector and the financial markets. Accordingly, our revenues and net income may decline because of our AUM decreasing due to depreciation of our investment products. Any decline in the securities market, in general, and the equity markets, in particular, could reduce our AUM and consequently our revenue. In addition, such a decline could cause our customers to withdraw their schemes in favour of investments offering higher returns or lower risks, which would cause our revenues to decline further. Our business is impacted by the performance of the schemes that we manage. The performance of our schemes is subject to predominantly, three types of risks, market risk, interest rate risk and credit risk.

Market Risk

Market risk is the risk that the value of an investment will decrease due to changes in market factors. These factors could include global and domestic economic environment, outlook of corporate sector performance, financial market conditions in general and other factors beyond our control. Capital markets in general and equity markets in particular are subject to market risk. Volatility in the capital markets especially equity markets can impact the performance of our schemes and our business operations. In the recent past, favorable capital markets, particularly equity market, has led to significant inflows, which in turn has led to significant growth in AUM and revenue. However, there is no certainty that the inflows will continue to grow going forward. Any decline in the equity markets could have an adverse impact on the performance of our schemes and in turn could affect our AUM and revenues. Our business is subject to market volatility which impacts the underlying securities held by our schemes and in turn the performance of the scheme. Thus, any prolonged decline and/or volatility in capital markets could have a negative impact on the growth of our AUM and our revenues. Customers could even withdraw their invested money as they move to invest in other asset classes making an adverse impact on both our AUM and revenues. In addition, the investment of our own surplus funds is also exposed to market risk.

Interest Rate Risk

The performance of our fixed income schemes is sensitive to interest rate risk or the impact on the value of investments due to movement of interest rates in the economy. The movement of interest rates depends on several factors such as global and local economic conditions, inflation, Fiscal and current account deficit, and other factors beyond our control. Interest rate fluctuations can have an adverse impact on the valuation of fixed income investments held by our schemes and consequently on the performance of our schemes. Any adverse impact of interest rate fluctuations can have a negative impact on both our AUM and revenues. The interest rate sensitivity of our schemes varies across and is a function of their average maturity or duration. Additionally, the investment of our own surplus funds in fixed income schemes or securities is also subject to adverse interest rate fluctuations.

Credit Risk

Credit risk or default risk is the inability of an issuer to meet its principal and interest payments as per its obligations. The underlying investments in our fixed income schemes carry varying degrees of credit risk. Any deterioration in the credit profile of our fixed income investments or a credit event can have an adverse impact on the performance of our schemes and in turn on our AUM and revenues.

Seasonality

Our business is not subject to seasonal variations.

Known Trends or Uncertainties

Other than as described in this section and the section titled "*Risk Factors*" on page 19 of this Prospectus, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

New Product or Business Segments

Other than as described in this Prospectus, there are no new products or business segments in which we operate.

Dependence on customers and suppliers

We have a wide customer and supplier base and do not depend on any particular customer or supplier. However, a majority of our revenue is derived from our role as the asset manager to HDFC Mutual Fund.

Significant Developments Occurring after March 31, 2018

Except as disclosed in "*Our Business – Recent Development*" on page 174 of this Prospectus and to our knowledge, there are no circumstances that have arisen since the date of the Restated Financial Statements as disclosed in this Prospectus, which materially and adversely affect or are likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

The details of the outstanding litigation or proceedings involving our Company, Directors, Promoters and Group Companies are described in this section in the manner as detailed below.

Except as stated in this section, as of the date of this Prospectus, there are no (i) outstanding criminal proceedings involving our Company, Directors, Promoters or Group Companies; (ii) actions taken by statutory or regulatory authorities against our Company, Directors, Promoters or Group Companies (pending actions or any actions taken in the past five years); (iii) outstanding claims involving our Company, Directors, Promoters or Group Companies for any direct and indirect tax liabilities; (iv) outstanding material civil litigation (as explained below) involving our Company, Directors, Promoters and Group Companies; (v) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company in the last five years immediately preceding the year of this Prospectus; (vi) if there were prosecutions filed (whether pending or not); fines imposed on, or compounding of offences by our Company under the Companies Act in the last five years immediately preceding the year of this Prospectus; (vii) litigation or legal action pending or taken (including any direction issued by such ministry or Government department on conclusion of such litigation or legal action) against our Promoters by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Prospectus; (viii) material frauds committed against our Company, in each case in the five years preceding the date of this Prospectus; (ix) any other litigation involving our Company, Directors, Promoters or Group Companies or any other person, whose outcome could have a material adverse impact on our Company; (x) outstanding dues to small scale undertakings and other creditors of our Company; (xi) pending proceedings initiated against our Company for economic offences; and (xii) defaults and non-payment of statutory dues by our Company.

It is clarified that for the purposes of the above, pre-litigation notices (other than notices involving actions by statutory or regulatory authorities in the last five years or which are pending) received by our Company, Directors, Promoters or Group Companies shall not be considered as litigation until such time that our Company, Directors, Promoters or Group Companies, as the case may be, is impleaded as defendant or respondent in litigation proceedings before any judicial fora.

Our Company is also impleaded as a proforma party to various litigation, wherein our Company has been directed by judicial authorities to, amongst other things, freeze folios of identified unitholders until judicial determination of such litigation, and such directions have been complied by our Company. It is clarified that the outcome of such litigation would not have a material adverse impact on our Company. Accordingly, such litigation are not disclosed herein.

Certain of our Group Companies are regulated entities, namely, (i) HDFC, HDFC Sales Private Limited, HDFC Property Ventures Limited, GRUH Finance Limited and HDFC Life are regulated by SEBI, (ii) HDFC and GRUH Finance Limited are regulated by NHB, (iii) HDFC Holdings Limited, HDFC Investments Limited and HDFC Credila Financial Services Private Limited are regulated by RBI, (iv) HDFC, HDFC Sales Private Limited, HDFC Credila Financial Services Private Limited, HDFC ERGO General Insurance Company Limited and HDFC Life are regulated by IRDAI, and (v) HDFC and HDFC Pension Management Company Limited are regulated by PFRDA. In the normal course of business, these entities are subjected to regulatory oversight and inspection. During the course of such inspection, certain entities are in receipt of observations/ letters of deficiency/ advisories from their respective regulators mandating corrective actions be taken by them in this regard. Such matters are dealt with by the respective entities, as appropriate, including by taking corrective actions and/ or bringing it to the notice of their respective boards of directors.

I. Litigation involving our Company

A. *Outstanding civil litigation involving our Company*

As regards civil litigation, given the nature and extent of operations of our Company, our Board has, pursuant to its resolution dated June 22, 2018 considered outstanding civil litigation involving our Company wherein the aggregate amount involved exceeds the lower of 1% of the total revenue or 5% of the profit after tax of our

Company as per the Restated Financial Information of our Company for the financial year ended March 31, 2018 to be material.

Accordingly, we have only disclosed all outstanding civil litigations involving our Company wherein the aggregate amount involved exceeds ₹186.72 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation is expected to have a material adverse bearing on the business, operations, financial position or reputation of our Company.

There is no outstanding civil litigation involving our Company wherein the amount involved exceeds ₹ 186.72 million. Further, there is no outstanding litigation, whose outcome would have a material adverse bearing on the business, operations, financial position or reputation of our Company.

B. ***Actions by statutory or regulatory authorities against our Company (pending actions or any actions taken in the past five years)***

1. SEBI carried out an investigation into the alleged front running of trade orders of HDFC Mutual Fund by a certain set of persons on the basis of information provided by Nilesh Kapadia, formerly a dealer (in equities) at our Company, and had issued the following orders and notices in the matter:

    - SEBI interim order no. WTM/KMA/IVD/267/06/2010 dated June 17, 2010
    - SEBI order no. WTM/PS/26/IVD/ID-6/JULY/2014 dated July 24, 2014
    - SEBI show cause Notice no. EAD-2/KM/8485/2014 dated March 20, 2014
    - SEBI interim order no. WTM/PS/135/IVD/JAN/2016 dated January 15, 2016
    - SEBI order no. WTM/MPB/SEBI/EFD/DRA-3/ 28 /2018 dated July 27, 2018

    HDFC Trustee Company Limited (the 'Trustee Company'), our Company and our Managing Director, Milind Barve, had filed consent applications seeking settlement of the issues arising out of the above and any proceedings that may be initiated by SEBI in this regard, including under the SEBl (Mutual Funds) Regulations, 1996, SEBI (Portfolio Managers) Regulations, 1993, Clause IV (Operation Risks) in Operating Manual for Risk Management for Indian Mutual Funds - Annexure to Circular No. MFD / CIR / 15 / 19133 /2002 dated September 30, 2002. The Trustee Company, our Company and Milind Barve, our Managing Director remitted sums of ₹ 2 million, ₹ 2 million and ₹ 1.5 million, respectively, without admission or denial of guilt, and our Company also undertook to compensate investors for any losses suffered by them on account of the alleged front-running activities, as determined by SEBI. Our Company also terminated the services of Nilesh Kapadia. SEBI issued a consent order dated September 30, 2011 bearing no. CO/ID-6/AO/BM/ 130-132/2011 dated September 30, 2011, in this regard.

    Subsequently, SEBI, by its order dated July 24, 2014, amongst other things, prohibited Nilesh Kapadia and certain other accused persons from accessing the securities market, or buying, selling or otherwise dealing in securities, for a period of ten years for violation of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices Relating to Securities Market) Regulations, 2003. SEBI further directed that Nilesh Kapadia shall not associate himself with any intermediary or any other entity registered with SEBI for a period of ten years from the date of the interim order dated June 17, 2010. SEBI, by its interim order dated January 15, 2016, ordered impounding of unlawful gains allegedly made by Nilesh Kapadia and certain front runners, together with interest. Further, SEBI by way of its order dated July 27, 2018 amongst other things, ordered that Nilesh Kapadia and certain others shall disgorge the wrongful gains made by them along with interest from the respective dates of their transactions till the respective dates of deposit of the respective amounts in escrow accounts. No directions were issued against the Trustee Company, our Company or our Managing Director in SEBI's orders dated July 24, 2014, January 15, 2016 and July 27, 2018.

    Further, pursuant to the directions issued by SEBI by way of an interim order dated June 17, 2010, a letter dated July 5, 2011 bearing no. EFD-DRA-3/PVS/21350/2011, a letter dated January 18, 2016 bearing no. DRA3/MC/OW/458/2016, and a letter dated March 10, 2016 bearing no.

EFD/OW/MC/7367/1/2016, our Company deposited the total amount of losses suffered by the investors during the period November 2001 to September 2007, aggregating to ₹ 69.69 million, as determined by SEBI, in a segregated bank account maintained with the Trustee Company. Our Company has thereafter compensated the concerned investors in accordance with the aforementioned directions issued by SEBI. Further, SEBI has, by way of its letter dated October 20, 2016 bearing no. EAD/PJ/JAK/OW/29035/2016 communicated that the adjudication proceedings with respect to SEBI, show cause notice dated March 20, 2014 bearing no. EAD-2/KM/8485/2014 has been dropped.

2. In terms of the SEBI Mutual Fund Regulations, an inspection was conducted on the schemes of HDFC Mutual Fund for the period from April 1, 2014 to March 31, 2016, pursuant to which observations were issued to HDFC Trustee Company Limited on March 28, 2017. Subsequently, pursuant to this inspection, SEBI has, by way of its letters dated May 31, 2018 addressed to our Company and HDFC Trustee Company Limited ("**SEBI Letters**"), observed, amongst other things, certain non-compliances of the SEBI Mutual Fund Regulations and circulars and guidelines issued thereunder, certain cases of deficiencies and issued certain advisories, and mandated that certain corrective actions be taken in this regard. Subsequently, our Board and the board of HDFC Trustee Company Limited at their respective meetings held on June 27, 2018, discussed and approved the steps taken to strengthen the relevant compliance mechanisms.

   Further, under the SEBI Letters, quasi-judicial proceedings were initiated against our Company and HDFC Trustee Company Limited for alleged violations with respect to: (a) maturity of a security purchased by a scheme of HDFC Mutual Fund exceeding the maturity of the scheme; (b) difference in TER for direct and regular plans being lower than the commission paid to the distributors in certain schemes; (c) excess charges being debited for certain years were credited after a period of more than one year; (d) NAVs of certain schemes not being published on HDFC Mutual Funds website for a certain period of time; and (e) error in valuation of unlisted equity shares of a company. While, as of the date of this Prospectus, our Company and HDFC Trustee Company Limited have not received a show cause notice(s) from SEBI in this regard, our Company and HDFC Trustee Company Limited had, on May 14, 2018, on a suo moto basis, filed settlement applications, under the SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014, for settling any adjudication proceedings against our Company and HDFC Trustee Company Limited that may arise out of the inspection. These settlement proceedings are currently pending before SEBI.

C. *Details of defaults and non-payment of statutory dues by our Company*

As on March 31, 2018, there were no instances of non-payment of statutory dues by our Company.

D. *Outstanding litigation against any other persons whose outcome could have an adverse bearing on the business, operations, financial position or reputation of our Company*

As on the date of this Prospectus, except as disclosed below and in "*Actions by statutory or regulatory authorities against our Company (pending actions or any actions taken in the past five years)*", there is no outstanding litigation involving HDFC Mutual Fund, HDFC Trustee or any other persons whose outcome could have an adverse bearing on the business, operations, financial position or reputation of our Company.

Tax litigation involving HDFC Mutual Fund (pertaining to HDFC Gold Exchange Traded Fund)

Nature of case	Number of cases	Amount involved, to the extent quantifiable (in ₹ million)
Indirect tax	4	43.17

Further, HDFC Mutual Fund could be impacted by an adverse outcome in the matter involving several securitisation trusts ("**Trusts**") (wherein HDFC MF had subscribed to securities issued by these Trusts) and the direct tax authorities.

E. Dues owed to small scale undertakings or any other creditors

Our Board has approved by way of its resolution dated June 22, 2018 that small scale undertakings and creditors of our Company to whom the amount due exceeds 5% of the trade payables of the Company as per the Restated Financial Information of the Company as of March 31, 2018, shall be termed as 'material' creditors of our Company and, accordingly, we have disclosed consolidated information of outstanding dues owed to small scale undertakings and other creditors, separately giving details of number of cases and amount for all dues where the amount due by the Company exceeds ₹ 55.79 million.

The outstanding dues as of March 31, 2018 are as follows:

Particulars	Number of creditors*	Amount involved (in ₹ million)
Small scale undertakings	-	-
Material creditors	4	400.03
Other dues to creditors	219	193.72
Total	**223**	**593.75**

** Creditors include trade payables other than amounts payable towards distributor commission or brokerage payable on sale of mutual fund schemes, amounts towards payment instruments issued in the past, which have expired and year end accruals.*

The details pertaining to amounts due towards such other creditors are available on the website of our Company at the following link: http://www.hdfcfund.com/CMT/UPLOAD/ARTICLEATTACHMENTS/Material-Creditors-31.03.2018.pdf. The details in relation to other creditors and amount payable to each such creditor available on the website of our Company do not form a part of this Prospectus. Anyone placing reliance on any such source of information, including our Company's website, would be doing so at their own risk.

F. Tax proceedings involving our Company

Set out herein below are claims relating to direct and indirect taxes involving our Company

Nature of case	Number of cases	Amount involved, to the extent quantifiable (in ₹ million)
Direct tax	7	12.22
Indirect tax	1	0.37

II. Litigation involving our Directors

A. Outstanding civil litigation involving our Directors

Our Board has, pursuant to its resolution dated June 22, 2018, determined that all such outstanding civil litigation against our Directors where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company, would be considered as material for our Company.

There is no outstanding civil litigation involving our Directors where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.

B. Litigation involving Deepak Parekh

Criminal proceedings by Deepak Parekh

1. An application has been filed in the High Court of Bombay ("**High Court**") (Criminal Application No. 41 of 2013), by HDFC along with Deepak Parekh, Keki Mistry, Renu Karnad and others against State Of

Maharashtra, senior inspector of police and Sureshchandra V. Parekh. The application has been filed for quashing the Criminal Case No.86/SW/2010 and proceedings pending before the Metropolitan Magistrate Court, Mumbai therein which was filed by Sureshchandra V. Parekh. The High Court has granted interim reliefs and has *inter alia* stayed the proceedings in the Criminal Case No.86/SW/2010 ("**the said Order**"). Sureshchandra V. Parekh has filed a criminal application No. 245 of 2013 in this application for seeking vacation of the said Order. This application has been dismissed by the High Court vide its order dated December 16, 2013. The matter is currently pending adjudication.

Criminal proceedings against Deepak Parekh

1. Sureshchandra V. Parekh filed a complaint against HDFC, Deepak Parekh, Keki Mistry, Renu Karnad and others for having forged the transfer forms, share certificates and arbitration letter and for filing a false and fabricated time barred case before court of Additional Chief Metropolitan Magistrate at Esplanade, Mumbai. These criminal applications have been admitted and have not been listed since 2014. Vide an order passed by High Court of Bombay dated February 6, 2013, further proceeding in the complaint was stayed. Currently, the complaint is pending before Ld. Additional Chief Metropolitan Magistrate's 8th Court at Esplanade, Mumbai. HDFC has filed proceedings for quashing the complaint under Section 482 of the CrPC. The matter has been adjourned to October 29, 2018.

C. Litigation involving Keki Mistry

Criminal proceedings by Keki Mistry

1. For details in relation to the criminal litigation by Keki Mistry, please see *"Criminal proceedings by Deepak Parekh"* on page 359 of this Prospectus.

Criminal proceedings against Keki Mistry

1. HDFC has filed a criminal complaint against Haridasan and others before the Chief Judicial Magistrate Court, Palakkad, Kerala ("**CJM**") on the malpractice and misappropriation conducted by Haridasan. Subsequently to counter the criminal case, Haridasan's wife Mrs. Geeta has filed a criminal case CMP 3722/2011 before CJM at Palakkad against Keki Mistry and four others before CJM, Palakkad, under Sections 406, 409, 120(B), 418, 420, 465 of IPC read with Section 34 of IPC, which was taken to the file by the Court and numbered as C.C No 01/2017. HDFC has filed Criminal Miscellaneous Case ('Crl. M.C') before the High Court of Kerala, with the prayer to quash the whole proceedings in C.C No 01/20017. The Crl.M.C came up for admission on April 4, 2017. The High Court pleased to take the Crl.M.C and numbered as Crl.M.C No 2651/2017 on file and issued notice to the complainant with an interim order of stay of further proceedings before CJM in C.C No 01/2017 for a period of 3 months. HDFC had filed a petition to extend the interim order and High Court has extended the stay till July 21, 2018. The next date of hearing is October 21, 2018.

2. For further details in relation to the criminal litigation against Keki Mistry please see "*Criminal proceedings against Deepak Parekh*" on page 359 of this Prospectus.

D. Litigation involving Renu Karnad

Criminal proceeding by Renu Karnad

1. For details in relation to criminal proceedings by Renu Karnad, please see *"Criminal proceedings by Deepak Parekh"* on page 359 of this Prospectus.

Criminal proceeding against Renu Karnad

1. For details in relation to criminal proceedings against Renu Karnad, please see *"Criminal proceedings against Deepak Parekh"* on page 359 of this Prospectus.

Litigation involving our Promoters

A. Litigation involving HDFC:

A. *Outstanding criminal litigation involving HDFC*

Criminal proceedings by HDFC

1. HDFC has filed 2,740 complaints under section 138 of the Negotiable Instruments Act, 1881. The matters are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is ₹ 799.71 million.

2. HDFC has filed 337 criminal cases in relation to forgery or fraud or both. The matters are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is ₹ 2,555.59 million.

3. HDFC has filed 166 criminal cases in relation to criminal breach of trust and cheating. The matters are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is ₹ 130.27 million.

4. HDFC has filed 10 criminal cases in relation to misappropriation of funds. The matters are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is ₹ 99.40 million.

5. HDFC has filed two criminal cases in relation to threat of violence or criminal intimidation. The matters are pending at different stages of adjudication before various courts. The aggregate amount involved in these matters is ₹ 2.43 million.

6. HDFC has filed three criminal cases in relation to trespass involving an amount of ₹ 4.13 million. The matters are pending at different stages of adjudication before various courts.

7. HDFC has filed seven criminal proceedings where secured assets have been sold by the borrower without the consent of HDFC involving an amount of ₹ 0.60 million. The matters are pending at different stages of adjudication before various courts.

Criminal proceedings against HDFC

1. HDFC has filed a criminal complaint against Haridasan and others before the Chief Judicial Magistrate Court, Palakkad, Kerala ("**CJM**") on the malpractice and misappropriation conducted by Haridasan. Subsequently to counter the criminal case, Haridasan's wife Mrs. Geeta has filed a criminal case CMP 3722/2011 before CJM at Palakkad against Keki Mistry and four others before CJM, Palakkad, under Sections 406, 409, 120(B), 418, 420, 465 of IPC read with Section 34 of IPC, which was taken to the file by the Court and numbered as C.C No 01/2017. HDFC had filed Criminal Miscellaneous Case ('Crl. M.C') before the High Court of Kerala, with the prayer to quash the whole proceedings in C.C No 01/20017. The Crl.M.C came up for admission on April 4, 2017. The High Court pleased to take the Crl.M.C and numbered as Crl.M.C No 2651/2017 on file and issued notice to the complainant with an interim order of stay of further proceedings before CJM in C.C No 01/2017 for a period of 3 months. HDFC had filed a petition to extend the interim order and High Court has extended the stay till October 21, 2018.

2. There is one criminal case, case no. 245/2011 filed by Sanjay Shringarpure V S Pravin Churi against HDFC before the JMFC II Kalyan claiming that he had not been paid for the service of electricity maintenance in the Vashi office of HDFC and further requesting enquiry against HDFC. Complainant was directed to appear in lower court on March 15, 2013. Thereafter, HDFC filed a writ petition in the High Court to quash the criminal proceedings. The matter has been stayed by the High Court. The value of the case is ₹ 63,700 approximately. The date of the next hearing is November 21, 2018

3. A criminal case Bhangagarh police station case number - 236/16 has been filed against a few officers of HDFC by the landowner in reference to the loan sanctioned to Amit Jain and Megha Jain before the Additional Session Judge, Guwahati, Assam. The land owner has lodged an FIR alleging that HDFC had disbursed loan to them by mortgaging the share / flats specifically allotted to him without his knowledge or information. The said officers of HDFC have been granted absolute bail in January 2017, however, the matter is not closed. The matter is pending and there is no specific monetary value for this case. Moreover, the borrowers, namely, Amit Jain and Megha Jain have repaid the entire loan amount and the copy of the no objection certificate issued by HDFC had been sent to the respective investigation officers of Bhangagarh police station and the land owner. Therefore, the matter in question has become infructuous as of now.

4. In the case of Arti Milind Mahadik, the borrower defaulted in the repayment of the loan amount. HDFC has initiated action under SARFAESI Act and took possession of the property under section 13(4) of the SARFAESI Act. The borrower has filed a complaint of house breaking, trespassing, cheating, common intention etc. The High Court directed the Judicial Magistrate First Class, Pune to issue order under section 156(3) of the CrPC and accordingly the FIR was registered and Possession Officer and Authorised Officer obtained an anticipatory bail from the court and the chargesheet has been filed. The matter is currently pending.

5. In the case of Biswas Alok and Biswas Antara, on account of a marital dispute between the borrower and the co-borrower, Kolkata court directed the co-borrower wife to occupy the property. Both borrower and co-borrower defaulted in payment of the loan. HDFC has initiated action under SARFAESI Act. To avoid possession of the property, co-borrower filed complaint before Kharghar police station and also filed a private criminal complaint before Panvel court against her husband and the authorised officer of HDFC under Domestic Violence Act. Summons has been issued and authorised officer of HDFC has appeared before the court. The matter is currently pending.

6. The Deputy Director – Enforcement Directorate, Jaipur had lodged proceedings against Jayaprakash Bagrwa and others. Pursuant to the said proceedings, the assets of the accused have been attached. One of the assets among all the assets attached is mortgaged to HDFC. By way of an order dated September 19, 2017, the Adjudicating Authority (PMLA), New Delhi has confirmed the attachment of the said properties under sub - section (1) of Section 5 of Prevention of Money Laundering Act, 2000 (the "Act"), and has ordered that the attachment shall continue until the pendency of the proceedings under the Act and that the said order will become final after an order of confiscation is passed by a Special Court under sub-section (5) or sub-section (7) of Section 8 of the Act. However, HDFC has filed the appeal and the matter is scheduled for hearing on September 14, 2018.

7. There is one criminal proceeding C. C. No.86/SW of 2012 filed by one of the shareholders i.e. S. V. Parekh against HDFC and its former/ present directors before the 8th Court of the Additional Chief Metropolitan Magistrate, Esplanade, Mumbai alleging that HDFC has forged the transfer forms, share certificates and arbitration letter and further alleging that HDFC filed a false and fabricated time barred case at the 47th Court of the Additional Chief Metropolitan Magistrate, Esplanade, Mumbai. HDFC has filed proceedings for quashing the complaint under Section 482 CrPC. The matter has been adjourned to October 29, 2018.

B. ***Outstanding civil litigation involving HDFC***

Given the nature and extent of operations of HDFC, our Board has, pursuant to its resolution dated June 22, 2018 considered the outstanding civil litigation involving HDFC which exceeds 1% of the consolidated profit after tax of HDFC, as per the consolidated audited financial information of HDFC, for the financial year ended March 31, 2018, to be material.

Accordingly, we have only disclosed all outstanding civil litigations involving HDFC wherein the aggregate amount involved exceeds ₹1.36 billion individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, financial position or reputation of our Company.

There is no outstanding civil litigation involving HDFC wherein the amount involved exceeds ₹*1.36 billion*. Further, there is no outstanding litigation, whose outcome would have a material adverse bearing on the business, operations, financial position or reputation of our Company.

C. *Actions by statutory or regulatory authorities against HDFC (pending actions or any actions taken in the past five years)*

The Supreme Court of India by way of an order dated July 22, 2015 levied a penalty of ₹ 75,000 on HDFC to be paid to SEBI, for an inadvertent delay in filing a report under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 pertaining to the acquisition of equity shares of Hindustan Oil Exploration Company Limited on a preferential basis, which resulted in HDFC holding 10.92% of voting rights of the company. HDFC paid the penalty in the financial year 2016 and thus settled the issue.

D. Tax proceedings involving HDFC:

Set out herein below are claims relating to direct and indirect taxes involving HDFC

Nature of case	Number of cases	Amount involved, to the extent quantifiable (in ₹ million)
Direct tax	21	15,289. 30
Indirect tax	1	0.20

B. Litigation involving Standard Life Investments:

a) *Outstanding civil litigation involving Standard Life Investments*

Given the nature and extent of operations of Standard Life Investments, our Board has, pursuant to its resolution dated June 22, 2018 considered the outstanding civil litigation involving Standard Life Investments Limited which exceeds 4.5% of the operational profit before tax of Standard Life Investments as per its audited financial statements, for the financial year ended December 31, 2017, to be material.

Accordingly, we have only disclosed all outstanding civil litigations involving Standard Life Investments wherein the aggregate amount involved exceeds £ 9,070,920 individually. In case of pending civil litigation proceedings wherein the monetary liability is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, financial position or reputation of our Company.

There is no outstanding civil litigation involving SLI wherein the amount involved exceeds £ 9,070,920 individually. Further, there is no outstanding litigation, whose outcome would have a material adverse bearing on the business, operations, financial position or reputation of our Company.

b) *Actions by statutory or regulatory authorities against Standard Life Investments (pending actions or any actions taken in the past five years)*

In a letter, dated December 22, 2017, Standard Life Investments Limited ('**SLI**') received notice that, the Comissão do Mercado de Valores Mobiliários ("**CMVM**") had applied a sanction to SLI (in summary administrative offence proceedings) for breach of its obligation to disclose a holding in excess of two per cent of a listed Portuguese company under Article 16, no. 1 & 2, paragraph b), of the Portuguese Securities Code. An aggregated group disclosure was made in March 2015 by SLI's parent company, Standard Life Investments (Holdings) Limited, but SLI failed to make the required individual investment management entity level disclosure. On identification, SLI self-reported this position and also clarified that SLI did not act wilfully or with intention to carry out an offense. While SLI accepted a sanction of €25,000, the sanction has been suspended for two years, on 15 January 2018 on certain conditions and accordingly, no payment towards the penalty has been made till date. The penalty has been disclosed to the market by CMVM on an anonymised basis.

III. Litigation involving our Group Companies

A. *Outstanding criminal litigation involving our Group Companies*

Criminal proceedings against our Group Companies:

1) HDFC Life

1. There is one criminal proceedings filed against certain employees and ex-employees of HDFC Life before the Chief Metropolitan Magistrate at Calcutta alleging violations of the provisions of the IPC, including criminal conspiracy, criminal breach of trust and/or cheating and dishonestly inducing delivery of property. HDFC Life has filed quashing petitions against this proceedings which is pending adjudication before the the High Court of Calcutta.

2. There is a criminal proceeding filed against HDFC Life for alleged violations of the Maharashtra Private Security Guards (Regulation of Employment and Welfare) Act, 1981, the Maharashtra Private Security Guards (Regulations of Employment and Welfare) Scheme, 2002, and the Private Security Agencies (Regulation) Act, 2005. Upon the Additional Chief Metropolitan Magistrate at Ballard Pier, Mumbai ("**ACMM**") taking cognizance of the case, HDFC Life has filed a writ petition before the Bombay High Court seeking to quash the criminal proceedings initiated before the ACMM. The case is currently pending before the Bombay High Court, which has granted a stay on the criminal proceedings before the ACMM.

3. There are four criminal proceedings pending adjudication before various fora, including the Court of the Chief Judicial Magistrate at Patna, Principal Sessions Judge at Jamshedpur, High Court of Madras, and High Court of Patna, in relation to grievances with respect to mis-selling of HDFC Life's products by employees or ex-employees of HDFC Life, and alleged violations of the provisions of the IPC, including criminal conspiracy, criminal breach of trust, forgery, cheating and dishonestly inducing delivery of property and voluntarily causing hurt.

4. A criminal revision application has been filed by Ramesh Kumar against HDFC Life along with Amitabh Chaudhry in the Court of Principal District & Sessions Judge, Bokaro aggrieved by the order passed by the learned Additional Judicial Magistrate, Bokaro. The matter is currently pending before the Court of Principal District and Sessions Judge, Bokaro.

5. There are two criminal complaints which have been filed against HDFC Life before the Chief Judicial Magistrate at Fatehpur and Chief Judicial Magistrate at Barasat, for alleged violations of the IPC including criminal intimidation, forgery, criminal breach of trust and cheating and dishonestly inducing delivery of property. The matters are currently pending.

6. A criminal complaint has been filed against HDFC Life, which is pending before the Court of Chief Metropolitan Magistrate at Kolkata ("**CMM**") for alleged violation of certain provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and the rules thereunder. The CMM had issued summons to HDFC Life and its erstwhile managing director, Deepak Satwalekar. Subsequently, Deepak Satwalekar filed a writ petition before the High Court of Calcutta seeking quashing of proceedings pending before the CMM. The proceedings before the CMM have been stayed during the pendency of the proceedings at the High Court of Calcutta.

Criminal proceedings by our Group Companies:

1) HDFC Credila Financial Services Private Limited

HDFC Credila Financial Services Private Limited has filed 36 complaints under Section 138 of the Negotiable Instruments Act, 1881. The matters are pending at different stages of adjudication before various forums. The aggregate amount involved in these matters is ₹ 33.54 million.

2) HDFC Life

1. There are seven criminal proceedings in relation to complaints filed by HDFC Life, against Kripa Securities Private Limited, ex employees, a persistency officer, and Molla Mahbobar Rahman pending adjudication before various judicial fora including the Court of the Sessions Judge at Ghazipur, the Court of the Judicial Magistrate at Panipat, the Court of Additional Chief Judicial Magistrate at Sikar, the Court of Chief Judicial Magistrate at Johrat and the Court of Chief Metropolitan Magistrate at Calcutta alleging violations of the provisions of the IPC, including forgery, criminal conspiracy, criminal breach of trust and/or cheating and dishonestly inducing delivery of property.

2. A criminal complaint has been filed by HDFC Life against Asif Kamal ("**Accused**") before the Court of Additional Chief Metropolitan Magistrate at Jaipur ("**ACMM**") alleging violations of various provisions of the IPC including forgery, theft, criminal breach of trust, conspiracy, cheating and dishonestly inducing delivery of property. Subsequently, the Accused has filed a criminal miscellaneous petition in the High Court of Rajasthan seeking to quash the proceedings pending before the ACMM. The matter is currently pending adjudication before the High Court of Rajasthan.

B. *Outstanding civil litigation involving our unlisted Group Companies*

Given the nature and extent of operations of our unlisted Group Companies, our Board has, pursuant to its resolution dated June 22, 2018, considered outstanding civil litigation involving our Group Companies (excluding GRUH Finance Limited, HDFC, Standard Life Investments and HDFC Life) wherein the amount exceeds 5% of the profit after tax of our Company, as per its Restated Financial Information for the financial year ended March 31, 2018, as being material.

Accordingly, we have only disclosed all outstanding civil litigations involving our unlisted Group Companies (excluding GRUH Finance Limited, HDFC, Standard Life Investments and HDFC Life) wherein the aggregate amount involved exceeds ₹360.81 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, financial position or reputation of our Company.

There is no outstanding civil litigation involving our unlisted Group Companies wherein the amount involved exceeds ₹*360.81* million individually. Further, there is no outstanding litigation, whose outcome would have a material adverse bearing on the business, operations, financial position or reputation of our Company.

C. *Outstanding civil litigation involving our listed Group Companies*

1) Outstanding civil litigation involving GRUH Finance:

Given the nature and extent of operations of GRUH Finance, our Board has, pursuant to its resolution dated June 22, 2018, considered outstanding civil litigation involving GRUH Finance wherein the amount exceeds the lower of 1% of the consolidated total revenues or 5% of its consolidated profit after tax, as per its audited financial information for the financial year ended March 31, 2018, as being material.

Accordingly, we have only disclosed all outstanding civil litigations involving GRUH Finance wherein the aggregate amount involved exceeds ₹168.70 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only *in the event that the outcome of such litigation has a material adverse bearing on the business, operations, financial position or reputation of our Company.*

There is no outstanding civil litigation involving GRUH Finance wherein the amount involved exceeds ₹168.70 million individually. Further, there is no outstanding litigation, whose outcome would have a material adverse bearing on the business, operations, financial position or reputation of our Company.

2) Outstanding civil litigation involving HDFC Life:

Given the nature and extent of operations of HDFC Life, our Board has, pursuant to its resolution dated June 22, 2018 considered outstanding civil litigation involving HDFC Life wherein the amount exceeds the lower of 1% of its consolidated total revenues or 5% of its consolidated profit after tax as per its audited financial information for the financial year ended March 31, 2018, as being material. Accordingly, we have only disclosed all outstanding civil litigations involving HDFC Life wherein the aggregate amount involved exceeds ₹553.60 million individually. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a material adverse bearing on the business, operations, financial position or reputation of our Company.

There is no outstanding civil litigation involving HDFC Life wherein the amount involved exceeds ₹553.60 million individually. Further, there is no outstanding litigation, whose outcome would have a material adverse bearing on the business, operations, financial position or reputation of our Company.

D. *Actions by statutory or regulatory authorities against our Group Companies (pending actions or any actions taken in the past five years)*

1) GRUH Finance Limited

i) National Housing Bank had, by way of a letter dated March 7, 2016, imposed a penalty of ₹3.66 million for non-compliance with certain provisions of the National Housing Bank Act, 1987 regarding non-maintenance of requisite percentage of liquid assets on "interest accrued but not due on deposits", which penalty was paid by GRUH on March 9, 2016.

2) HDFC ERGO General Insurance Company Limited ("HDFC Ergo")

i) HDFC ERGO (along with HDFC General Insurance Limited with whom HDFC ERGO has subsequently merged) received two demand notices dated September 11, 2013 from IRDAI for not meeting obligatory targets in respect of Indian motor third party declined risk insurance pool for payment of an amount of ₹1 million. HDFC ERGO has subsequently made the requisite payment.

ii) During the Financial Year 2016-17, HDFC ERGO (which has subsequently merged with HDFC General Insurance Limited) received a Show Cause Notice dated June 27, 2016 (SCN) from IRDAI pursuant to the inspection carried out by IRDAI during October 29, 2012 to November 7, 2012. Further with respect to the said SCN, IRDAI issued the final order vide letter dated December 21, 2016 raising a demand for payment of an amount of ₹1.5 million which was subsequently paid by HDFC ERGO.

iii) During the Financial Year 2014-15, HDFC General received a Show Cause Notice dated June 11, 2014 (SCN) from IRDAI pursuant to the inspection carried out by IRDAI during July 15, 2013 to July 24, 2014. Further with respect to the said SCN, IRDAI issued the final order vide letter dated July 30, 2015 raising a demand for payment of an amount of ₹ 5 million which was subsequently paid by HDFC ERGO.

3) HDFC Life

i) HDFC Life received a show cause notice dated September 29, 2014 from the RoC in relation to a complaint filed by S.K Sharma alleging mis-selling of HDFC Life's products to him. HDFC Life responded to the show cause notice by way of a letter dated October 8, 2014 stating that HDFC Life has conducted an internal assessment wherein HDFC Life observed that all the features and details of HDFC Life's products were appropriately explained to S.K. Sharma at the time of sale of the product and therefore cannot be treated as a mis-sale.

ii) HDFC Life received a show cause notice dated August 21, 2015 from the RoC in relation to a complaint filed by Rohan Mota on non-receipt of Annual Report of HDFC Life for FY 2013 and FY 14. HDFC Life responded to the show cause notice by way of a letter dated August 27, 2015 stating that the physical copy of the Annual Reports have been provided to Rohan Mota by way of a letter dated July 22, 2015, which had also been delivered to his registered correspondence address.

iii) HDFC Life received an order dated July 22, 2013 from the RoC alleging non-compliance of the provisions of Sections 67(3), 73, and 234(2) and (3) of the Companies Act, 1956 in respect of HDFC Life having more than 1,000 shareholders. HDFC Life responded to the order by way of a letter dated July 30, 2013 denying the allegations and stating that HDFC Life had allotted these shares only to its promoters/employee stock option trusts and that the collective non - promoter share holding in HDFC Life was less than 2% of the paid up capital of HDFC Life as on March 31, 2013. HDFC Life also stated that certain employees of HDFC Life had transferred shares acquired by them pursuant to certain employee stock option schemes of HDFC Life to third parties and therefore the number of shareholders of HDFC Life had increased. HDFC Life stated that it had not allotted shares in any manner that attracted the provisions of Sections 67 and 73 of the Companies Act, 1956.

iv) HDFC Life had received a demand order on March 3, 2017 from the office of the Deputy Commissioner of Stamps, Railway Station Goods Side, Jammu ("**Deputy Commissioner**") for payment of an amount of ₹57,307 as stamp duty calculated in accordance with Sections 33(5) and 40(1)(c) of the Jammu and Kashmir Stamps Act, 1977. HDFC Life has subsequently made the payment in favour of the Deputy Commissioner.

v) HDFC Life had received a letter dated August 23, 2017 from the IRDAI in relation to a co-branded advertisement of HDFC Life which showed the following narration: "*Now, avail higher annuity rate of 7.42% of your retirement*", with the following disclaimer: "*Available for purchase of 50 lakhs and above, for an 80-year male, annual pay-out under the Life Annuity with a Return of Purchase Price option*". The letter provided that the narration was misleading and attracted the provisions of the IRDA (Insurance Advertisements and Disclosure) Regulations, 2000 and the Master Circular on Insurance Advertisements dated August 13, 2015 and sought for necessary clarifications from HDFC Life. By way of the letter, HDFC Life was directed to discontinue the advertisements in question forthwith in all forms and formats and submit observations within 10 days of receipt of the letter. The letter also required HDFC Life to release modified versions of the advertisement(s) (if any), only after review and specific approval from the IRDAI. HDFC Life replied to the IRDAI's letter by way of HDFC Life's letter dated September 1, 2017, submitting HDFC Life's observations and also recording that as directed by the IRDAI, HDFC Life had discontinued the circulation of the said advertisements in all manner and forms, and would ensure that the modified version of the said advertisements, if any, would only be released after specific approval from the IRDAI. The IRDAI responded to HDFC Life's letter on September 15, 2017, recording that HDFC Life's observations were not found satisfactory for the following reasons: (a) purchase of an "Immediate Annuity Plan" with a purchase price of ₹ 5 million and above, by a person aged 80 years, was an extreme example and did not represent the majority; (b) highlighting the rate of annuity of such rare scenario was misleading; (c) representing only absolute figures for other age groups (50, 55 and 60 years), without giving corresponding rates of annuity percentages was not appropriate; (d) while the annuity rate highlighted was for age 80 years, the picture of the model used was apparently of persons with younger ages; and (e) the advertisement said the offer was for a limited period only but did not clarify what that meant. HDFC Life was cautioned by the IRDAI and directed to adhere to best practices while releasing insurance advertisements. HDFC Life was also advised to ensure scrupulous compliance with the provisions of the relevant regulations, guidelines and circulars issued by the IRDAI in this regard and to ensure that such instances do not recur in the future.

vi) HDFC Life received a show cause notice from IRDAI on October 3, 2016, subsequent to an onsite inspection conducted by IRDAI in September 2013, alleging violations of the provisions of Insurance Act and certain regulations, guidelines and circulars prescribed by IRDAI thereunder. Pursuant to a personal hearing held on November 30, 2016, IRDAI passed an order dated January 11, 2017, imposing a penalty aggregating to ₹ 1.5

million, for allegedly violating, *inter alia*: (i) applicable file and use guidelines prescribed by IRDAI; (ii) the Guidelines on Outsourcing of Activities by Insurance Companies dated February 1, 2011, prescribed by IRDAI; and (iii) the corporate agency guidelines prescribed by IRDAI and the IRDA (Insurance Brokers) Regulations, 2002, for offering financial/ non financial incentives to employees of corporate agents and insurance brokers under the guise of a "skill building programme". HDFC Life was directed to settle the penalty within 15 days of receipt of the order, comply with all the directions in the order and confirm such compliance within 21 days from date of issuance of the order, place the order before our Audit Committee and our Board, and provide a copy of the minutes of the discussion to IRDAI. HDFC Life has (by way of its letter dated January 25, 2017 to the IRDAI) stated that it has duly remitted the penalty imposed by the IRDAI through a bank transfer. HDFC Life has also taken necessary measures to implement the directions of the IRDAI.

vii) IRDAI issued a show cause notice to HDFC Life dated August 6, 2013 in relation to non-compliance with the provisions of the IRDAI circular no IRDA/F&A/079/Feb-05 dated February 25, 2005, which pertains to the transfer of investments (assets) from shareholders' account to policyholders' account. HDFC Life had purchased immovable property for ₹ 653.50 million as 'investment property' during FY 2010-2011 and transferred the same to 'fixed assets' during the FY 2011-2012. The show cause notice states that the IRDAI circular no. IRDA/F&A/079/Feb-05 dated February 25, 2005 envisages transfer of 'securities' only. Further, the show cause notice states that such circular permits transfer from the shareholder account to policyholder account and not *vice-versa* (as done by HDFC Life). While HDFC Life responded to the show cause notice as well as further clarifications sought by IRDAI, IRDAI, by virtue of its order dated June 3, 2016, held that the reclassification of the property from 'investment property' to 'fixed asset' was not acceptable. IRDAI directed HDFC Life to ensure that policyholders' funds are compensated to the extent of: (i) value of the property as on the date of transfer (as valued by an independent valuer); and (ii) interest compounded annually at the rate of interest on bank account calculated on the market value of the property for the period from the date of transfer to the date of infusion of policyholders' funds. IRDAI further directed HDFC Life to: (i) make a detailed disclosure of its direction in the matter under notes to accounts in the ensuing annual accounts; (ii) apply the revaluation reserve, if any, created on revaluation of the 'investment property' in accordance with the IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002; (iii) place the order of IRDAI before our Board in the ensuing Board meeting; and (iv) file a report with IRDAI confirming compliance with its directions. HDFC Life has confirmed compliance to IRDAI by way of a letter dated May 18, 2017 issued by HDFC Life to IRDAI. We have also presented the contents of the order of IRDAI to the Audit Committee of our Board at its meeting held on July 19, 2016.

viii) HDFC Life received a show cause notice dated August 18, 2011 from the IRDAI, subsequent to an onsite inspection of HDFC Life's office in July 2010, alleging violations of certain provisions of the Insurance Act, 1938, the regulations made thereunder, and various guidelines and circulars issued by IRDAI from time to time. Pursuant to a personal hearing held on February 14, 2012, IRDAI passed an order dated June 27, 2012 imposing a penalty aggregating to ₹ 14.70 million alleging absence of an effective internal control system, including penalties for various actions allegedly in violation of certain provisions of the Insurance Act, including, *inter alia*, increasing stake in a private company and the same being made from life fund, wrongful payments of marketing expenses made to corporate agents, soliciting insurance business from unlicensed individuals and entities, issue of claim cheques in favour of master policy holders of various unorganised affinity groups, and rejection of death claims on the ground of a 90 day waiting period which IRDAI had specifically asked to be excluded previously and ordering HDFC Life to reopen all the 21 claims and settle them within 30 days of receipt of the order. By virtue of our letters to IRDAI dated July 4, 2012, July 12, 2012, July 26, 2012, October 8, 2012 and May 23, 2013, HDFC Life has paid the penalty amount and confirmed compliance with all directions contained in the IRDAI order dated June 27, 2012.

ix) IRDAI issued a show cause notice to HDFC Life on October 10, 2013, in relation to on-site inspections carried out at two of our branches during March and April 2013, to examine procedures in place to comply with the anti-money laundering guidelines issued by IRDAI. HDFC Life responded to the show cause notice on October 31, 2013 and pursuant to a personal hearing on January 2, 2014, IRDAI gave its final order on February 11, 2014, advising HDFC Life, *inter alia*, to put in place systems to comply with the anti-money laundering guidelines issued by IRDAI, reopen and review all transactions involving acceptance of multiple demand drafts to report suspicious transactions, put in place effective procedures to ensure that business is sourced only through licensed specified persons, and confirm compliance of the same within 15 days from February 11, 2014. By virtue of letters dated February 26, 2014 and March 13, 2014 issued by HDFC Life to IRDAI, and by virtue of a letter dated March 12, 2014 by HDFC Life to the Financial Intelligence Unit – India, HDFC Life has confirmed compliance of this order.

x) Pursuant to a show cause notice issued by the IRDAI on December 7, 2012 and notice dated June 19, 2013, and pursuant to personal hearings held on January 22, 2013 and August 12, 2013, the IRDAI issued directions to HDFC Life on September 3, 2013 under Section 34 of the Insurance Act, for violation of File and Use Guidelines in relation to a failure on the part of HDFC Life to maintain equity between the same class of policyholders *vis-à-vis* the terms of death benefits offered under two of HDFC Life's products. IRDAI held that HDFC Life had discriminated in allowing varied death benefits to different blocks of the same class of policyholders (who are paying the same amount of premiums) and directed HDFC Life to provide similar death benefits to all policyholders of such products. The enhanced death benefit provided to policyholders from April 1, 2012 was required to be offered to all policyholders who have opted for such products prior to April 1, 2012, also. Further the cases of death claims since the launch of these products until the issuance of these directions were to be reopened by HDFC Life and the differential amount of death benefit was to be settled within 60 days from September 3, 2013 as if the underlying benefits were for the higher death benefit. HDFC Life has taken the necessary actions to comply with the directions of the IRDAI and has confirmed compliance to IRDAI by way of HDFC Life's letter dated August 3, 2017 to IRDAI.

xi) HDFC Life received a letter dated November 12, 2015 from IRDAI in relation to advertisement with UIN 0101AD2015161381ENG filed with the IRDAI, stating, *inter alia*, that the disclaimer in the advertisement was too small and indistinguishable, and was in violation of the master circular on insurance advertisements dated August 13, 2015 (Reference: IRDAI/LIFE/CIR/MISC/147/08/2015). HDFC Life responded to IRDAI by way of a letter dated December 1, 2015, stating, *inter* alia, that: (i) HDFC Life ensures, as a part of standard process, that disclaimers in HDFC Life's advertisements are at least of a font size of 7 or above and distinguishable, in line with the requirements of the advertisement regulations; (ii) in respect of the aforesaid advertisement (which was released in the form of a leaflet), the disclaimer was printed with font size 6 instead of 7, due to an inadvertent error; and (iii) pursuant to IRDAI's observation, HDFC Life had revised the said advertisement so as to include disclaimer with font size 8. On examining HDFC Life's submission, IRDAI issued a letter dated December 4, 2015 to HDFC Life, cautioning HDFC Life for violation of certain provisions of the advertisement regulations and directing HDFC Life to adhere to best practices and comply with the provisions of the advertisement regulations, guidelines and circulars issued by IRDAI from time to time, while releasing insurance advertisements.

xii) HDFC Life received a show cause notice dated September 29, 2015 from IRDAI, in relation to an IGMS (integrated grievance management system) complaint of Vinod Talwar. The show cause notice alleges violation of the IRDAI Guidelines for Grievance Redressal by Insurance Companies and the IRDA (Protection of Policyholders' Interest) Regulations, 2002, since a complaint pertaining to the policyholder was prolonged for more than 2 years from the date of first service request. HDFC Life was requested to send our response explaining why suitable action should not be initiated against HDFC Life in this matter. By virtue of the letter dated October 23, 2015 issued by HDFC Life to IRDAI, HDFC Life has submitted to IRDAI that HDFC Life has always acted in a *bona-fide* manner in the interest of the beneficiary and has duly addressed the concerns raised by the complainant within stipulated timelines. HDFC Life has also requested IRDAI to close the matter, in view of the submissions made by HDFC Life in the letter dated October 23, 2015.

xiii) HDFC Life received a letter dated April 22, 2015 from IRDAI, in relation to the complaint of Manoj Kumar regarding refusal to sell the Term Insurance Plan by HDFC Life. IRDAI has conveyed its displeasure at the way the complaint was handled by HDFC Life and cautioned HDFC Life for: (i) not providing the correct information to the policyholder; and (ii) not displaying the sensitivity called for on the occasion. HDFC Life was also directed to send a registered letter to the complainant furnishing the desired information pertaining to the policy sought, and to redress the grievance of the complainant. HDFC Life submitted a response dated May 8, 2015 to IRDAI, *inter alia*, stating that HDFC Life had sent two registered letters to Kumar dated April 29, 2015 and May 7, 2015, along with an email to the complainant, assuring that appropriate action had been taken in order to meet the desired standards of service. Thereafter, IRDAI had sent an email to HDFC Life on July 27, 2015, requesting HDFC Life to inform IRDAI whether we had met with Kumar, and whether the product as requested by Kumar was offered to him. IRDAI also requested HDFC Life to inform IRDAI of actions taken till date on the matter, so as to enable IRDAI to inform the Ministry of Social Justice and Empowerment accordingly. In response, HDFC Life has sent an email to IRDAI on August 7, 2015, *inter alia*, stating that: (i) HDFC Life made multiple attempts to contact Kumar to confirm to him that our product is available for purchase by him without any restriction with respect to his condition of disability; (ii) HDFC Life's representative had visited Kumar's residence on May 5, 2015 but since he was unavailable, a call was subsequently made to him, to provide him with required clarifications and apologizing for the misunderstanding that occurred due to incorrect information provided by the outbound telesales call center executive; (iii) HDFC Life had shared the product brochure with Kumar, as well as contact co-ordinates, in case he was interested in purchasing the term plan or any of HDFC Life's other products; and (iv) Kumar had informed HDFC Life that he would contact HDFC Life to purchase the policy if he was interested, but HDFC Life had not received any intimation from him as of August 7, 2015. Accordingly, HDFC Life has requested IRDAI to close the matter, since HDFC Life believes that it has taken all relevant steps for satisfactory closure of the issue.

xiv) HDFC Life received a show cause notice dated April 25, 2014 from IRDAI, in relation to pay-outs made to corporate agents for the FY 2012-2013. In the show cause notice, IRDAI has observed that payments made to corporate agents – bancassurance channel and other corporate agents was in violation of Clause 21 of the guidelines on licensing of corporate agents prescribed by IRDAI dated July 14, 2005 (circular no. 017/IRDA/Circular/CA Guidelines/2005), and over and above the maximum permissible limits allowed under Section 40A of the Insurance Act, 1938. By virtue of its letter dated March 17, 2015, IRDAI has advised HDFC Life to refrain from making such type of payments and to place the letter dated March 17, 2015 before our Board to appraise them about the decision of IRDAI and confirm compliance. The IRDAI letter has been placed before our Board at the board meeting held on April 20, 2015, as advised by IRDAI.
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xv) HDFC Life received 19 notices and orders under 85(B) of the Employee's State Insurance Act, 1948 ("**Act**") read with Regulation 31 of the Employees State Insurance (General) Regulations, 1950 ("**Regulations**") requiring HDFC Life to pay damages for default in paying contributions within the stipulated time and manner as prescribed in the Act read with the Regulations. The total amount of damages of ₹ 2,950,863 has been duly paid by HDFC Life.

xvi) HDFC Life received a summons dated September 30, 2016 from the Court of the Judicial Magistrate First Class, Gandhidham, Kutch ("**JMFC**") in relation to violation of Section 7 of the Bombay Shops and Establishments Act, 1948. Accordingly, HDFC Life appeared before the JMFC who directed HDFC Life to furnish a penalty of ₹ 200, which HDFC Life has paid.

xvii) HDFC Life received five summons from the office of Assistant Labour Commissioner, District Singroli, Madhya Pradesh ("**Labour Commissioner**") on February 13, 2017 under Madhya Pradesh Shops and Establishment Act, 1958, Equal Remuneration Act, 1976, Minimum Wages Act, 1948, Child Labour (Prohibition & Regulation) Act, 1986 and Payment of Bonus Act, 1965. Subsequently, HDFC Life appeared before the Chief Judicial Magistrate, District Satna, wherein HDFC Life was directed to pay a penalty of ₹ 6,000 in relation to the summons under Madhya Pradesh Shops and Establishment Act, 1958 , ₹ 40,000 in relation to the summons under Equal Remuneration Act, 1976, ₹ 5,000 in relation to the summons under Minimum Wages Act, 1948 and ₹ 8,000 in relation to the summons under the Child Labour (Prohibition & Regulation) Act, 1986 which has been paid. The same has been closed on August 21, 2017.

xviii) HDFC Life received a summons from the Metropolitan Magistrate, Mumbai on February 14, 2018 under Mumbai Shops and Establishment Act, 1948. Subsequently, HDFC Life appeared before the Hon. Presidency Magistrate, Mumbai, wherein our Company was directed to pay a penalty of ₹ 15,000 which has been paid.

xix) HDFC Life received a summon on March 20, 2018 from the Court of Special Judicial Magistrate of First Class, Guntur in relation to violation of Rules 29 & 30 of the Andhra Pradesh Shops and Establishments Act. Accordingly, HDFC Life appeared before the Magistrate on March 23, 2018 who directed HDFC Life to furnish a penalty of ₹ 1,500, which HDFC Life has paid.

xx) HDFC Life was directed by the Assistant Director Employment Exchange to appear in Metropolitan Magistrate Court No-13, Ahmedabad in relation to violation of Employment Exchange Act. Accordingly, HDFC Life appeared before the Magistrate on April 22, 2018 who directed HDFC Life to furnish a penalty of ₹ 1,000, which HDFC Life has paid.

xxi) *IRDAI letter dated February 15, 2016 with respect to certain advertisements filed by HDFC Life* - Further to discussions between HDFC Life and the IRDAI, HDFC Life received a letter dated February 15, 2016 from the IRDAI, with respect to certain advertisements filed by HDFC Life with the IRDAI (UIN 0101AD201516721ENG – HDFC Young Star Supreme Suvidha, UIN 0101AD201516722ENG – HDFC Endowment Supreme Suvidha and UIN 0101AD201516723ENG – HDFC Young Star plus II). The letter referenced a submission made by HDFC Life with the IRDAI by way of an email dated January 29, 2016 and directed HDFC Life to withdraw the mid-term communications projecting scenarios with assumed investment returns of 6% and 10%, in respect of the aforementioned advertisements, while providing that HDFC Life could continue providing periodic fund statements to the policyholders. The letter also directed HDFC Life to suspend use of the aforementioned advertisements in all forms and to submit HDFC Life's observations to the IRDAI within 10 days from receipt of the letter. HDFC Life responded to the IRDAI's letter by way of our letter dated February 25, 2016, explaining the specific circumstances under which the advertisements were issued with projected values of 6% and 10%, the rationale being that policyholders had, at the time of purchase of policies, also been issued a benefit illustration showing projected values of 6% and 10% (in compliance with applicable regulations), having regard to which the issuance of advertisements with the same projection was to ensure that there was no ambiguity in the minds of the policyholder. HDFC Life's letter dated February 25, 2016 also recorded that the aforementioned advertisements had been withdrawn by HDFC Life. By way of the letter received from IRDAI by HDFC Life dated April 6, 2016, the IRDAI has taken the withdrawal of the aforementioned advertisements on record, directed HDFC Life to adhere to best practices and comply with applicable laws and regulations issued by the IRDAI from time to time while releasing insurance advertisements.

4) HDFC Sales Private Limited

HDFC Sales Private Limited received a letter dated July 21, 2011 from Employee State Insurance Corporation requiring HDFC Sales to pay an amount of ₹16,030 in relation to certain contributions payable by HDFC Sales in terms of Regulations 29, 31 and 33 of the Employee State Insurance (General) Regulations, 1950. HDFC Sales have accordingly paid the requisite amount on August 3, 2011.

5) HDFC Trustee Company Limited

Please refer to the disclosure made for our Company wherein HDFC Trustee Company Limited is also a party, at serial number (I)(B) under "*Litigation involving our Company - Actions by statutory or regulatory authorities against our Company (pending actions or any actions taken in the past five years)*", on page 356 of this Prospectus.

E. Tax proceedings against our Group Companies:

Set out herein below are claims relating to direct and indirect taxes involving our Group Companies:

Nature of case	Number of cases	Amount involved, to the extent quantifiable (in ₹ million except as stated otherwise)
1. Griha Investments		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
2. Griha Pte. Limited		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
3. GRUH Finance Limited		

Nature of case	Number of cases	Amount involved, to the extent quantifiable (in ₹ million except as stated otherwise)
Direct tax	16	78.69
Indirect tax	Nil	Nil
4. HDFC Capital Advisors Limited		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
5. HDFC Credila Financial Services Private Limited		
Direct tax	1	19.49
Indirect tax	Nil	Nil
6. HDFC Education and Development Services Private Limited		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
7. HDFC ERGO General Insurance Company Limited		
Direct tax	7	574.40
Indirect tax	13	3,623.90
8. HDFC Holdings Limited		
Direct tax	3	59.46
Indirect tax	Nil	Nil
9. HDFC International Life and Re Company Limited		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
10. HDFC Investments Limited		
Direct tax	1	0.44
Indirect tax	Nil	Nil
11. HDFC Life		
Direct tax	18	59,599.91#
Indirect tax	41	3271.43*
12. HDFC Pension Management Company Limited		
Direct tax	Nil	Nil
Indirect tax	Nil	Nil
13. HDFC Property Ventures Limited		
Direct tax	3	0.29
Indirect tax	Nil	Nil
14. HDFC Sales Private Limited		
Direct tax	2	109.72
Indirect tax	4	7.22
15. HDFC Trustee Company Limited		
Direct tax	6	3.88
Indirect tax	Nil	Nil
16. HDFC Venture Capital Limited		
Direct tax	5	25.06
Indirect tax	2	4.08
17. HDFC Ventures Trustee Company Limited		
Direct tax	2	0.12
Indirect tax	Nil	Nil

#*Does not include claims towards costs of proceedings*

**Does not include claims towards interest or costs of proceedings*

IV. Material developments

There have been no material developments, since the date of the last balance sheet, except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 333 of this Prospectus.

GOVERNMENT AND OTHER APPROVALS

In the normal course of our business, we are required to obtain various approvals from governmental and other authorities, from time to time. We have set out below an indicative list of material approvals obtained by our Company for the purposes of undertaking its business. In view of these approvals, our Company can undertake this Offer and its current business activities. Unless otherwise stated, these approvals are valid as on the date of this Prospectus.

We have also set out below details of (i) incorporation of our Company; (ii) approvals relating to the Offer; (iii) material approvals relating to our Company's business and operations; (iv) material approvals relating to our labour and branch offices; (v) approvals from taxation authorities; (vi) intellectual property registrations; (vii) material approvals for which applications have been made but are pending grant as of the date of this Prospectus; (viii) material approvals which have expired for which renewal applications have been made; (ix) material approvals which have expired for which renewal applications are yet to be made; and (x) material approvals required for which no application has been made by our Company as of the date of this Prospectus. For details in connection with the regulatory and legal framework in India within which our Company operates, please see "Regulations and Policies" on page 201 of this Prospectus.

I. Incorporation details of our Company

1. Certificate of incorporation dated December 10, 1999 issued by the RoC to our Company.

2. Certificate for commencement of business dated March 9, 2000 issued by the RoC to our Company.

II. Approvals relating to the Offer

For details in connection with the approvals relating to the Offer, please see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 376 of this Prospectus.

III. Material approvals relating to our Company's business and operations

1. Certificate of registration dated June 30, 2000 (bearing registration code – MF/044/00/6) granted by SEBI to 'HDFC Mutual Fund' under the SEBI Mutual Fund Regulations.

2. SEBI has by its letter dated July 3, 2000 granted its approval for our Company to act as the asset management company for HDFC Mutual Fund under the SEBI Mutual Fund Regulations.

3. Letter dated April 24, 2003 from SEBI to our Company permitting Standard Life Investments to act as the co-sponsor of HDFC Mutual Fund.

4. Portfolio manager registration (Registration code INP000000506) under the Portfolio Managers Regulations, last renewed by SEBI by way of a letter dated February 18, 2016. However, as per SEBI (Change in Conditions of Registration of Certain Intermediaries) (Amendment) Regulations, 2016 dated December 8, 2016, the current certificate of registration is now valid unless it is suspended or cancelled by SEBI.

5. No objection letter dated November 29, 2000 from SEBI to our Company in accordance with the SEBI Mutual Fund Regulations permitting our Company to undertake portfolio management activities.

6. Certificate of registration dated March 12, 2013 (Registration code IN/AIF2/12-13/0038) granted by SEBI to 'HDFC AMC Real Estate AIF' as a Category II AIF under the SEBI AIF Regulations. SEBI has, thereafter, with effect from August 16, 2016 endorsed the change of name of the AIF from "HDFC AMC Real Estate AIF" to "HDFC AMC AIF-II".

7. No objection letter dated January 28, 2013 from SEBI to our Company in accordance with the SEBI Mutual Fund Regulations permitting our Company to act as the investment manager to Category II - Alternative Investment Fund. By way of a subsequent no objection letter dated December 6, 2016, SEBI has, in accordance

with the SEBI Mutual Fund Regulations, permitted our Company to act as the investment manager to HDFC AMC AIF-II.

8. No objection letter dated November 4, 2015 from SEBI to our Company in accordance with the SEBI Mutual Fund Regulations permitting our Company to provide management and/or advisory services to Category I FPIs and/or appropriately regulated broad based Category II FPIs.

9. Central Board of Direct Taxes has by way of a letter dated December 10, 2015 granted approval under section 80C(2)(xiv) of the I.T. Act for HDFC Retirement Savings Fund to be set up as a pension fund for the assessment year 2016-2017 and subsequent assessment years.

10. Our Company is compliant with Foreign Accounts Tax Compliance Act of the United States with the Global Intermediary Identification Number being RCB7L2.99999.SL.356.

11. Our Company has received final observation letters from SEBI, in relation to launching all its subsisting mutual fund schemes.

IV. Material approvals relating to our labour/employees and branch offices

As on March 31, 2018, our Company had 210 branch offices in India including one representation office in Dubai, United Arab Emirates. Following are the material approvals applicable to our labour/employees and branch offices:

1. Certificate of registration of establishment issued under relevant shops and establishment legislations of respective states in which our branch offices are located.

2. Certificate of registration dated December 5, 2006 under the Contract Labour (Regulation and Abolition) Act, 1970.

3. Code number MHBAN0044896000 issued to our Company under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

V. Approvals from taxation authorities

1. Permanent Account Number of our Company: AAACH7614L

2. Tax Deduction Account Number of our Company: MUMH04900A

3. Professional tax registrations have been obtained by our Company in the states where applicable.

4. GST registrations have been obtained by our Company for each state where our Company has a branch office.

VI. Intellectual property

1. Trademark registrations

   As on the date of this Prospectus, our Company has registered and holds four trademarks under various classes, including classes 9, 16 and 36, granted by the Registrar of Trademarks under the Trademarks Act. Our Company has also filed one application for registration of its trademark under class 36, which is currently pending before the Registrar of Trademarks.

2. Domain names registration

   Our Company has a registered domain name for the domain 'hdfcfund.com'.

VII. Material approvals for which applications have been made but are currently pending grant

Sr. No.	Particulars	Date of application	Authority
1.	Trade license for Burdwan branch.	July 11, 2017	Burdwan Municipal Corporation
2.	Professional Tax for Surendranagar	April 24,2018	Municipal Corporation Surendranagar
3.	Trade licenses for Berhampur	April 09,2018	Directorate of Labour, Behrampur
4.	Shops and Establishment licenses for Malda	July, 23,2018	Englishbazaar Municipal Corporation

VIII. Material approvals which have expired for which renewal applications have been made

Sr. No.	Particulars	Date of application	Authority
1.	Shops and Establishment licenses for Meerut	March 22, 2018	Meerut Municipal Corporation

IX. Material approvals which have expired for which renewal applications are yet to be made

Nil

X. Material approvals required for which no application has been made

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

1. The Offer has been authorised by our Board pursuant to its resolution dated November 30, 2017 and by the IPO Committee pursuant to its resolution dated March 13, 2018.

2. HDFC specifically confirms that it has authorised the offer, sale and transfer of up to 8,592,970 Equity Shares by way of resolutions of a committee of its directors dated November 30, 2017 and dated March 13, 2018, and its consent letter dated March 13, 2018.

3. Standard Life Investments specifically confirms that its board of directors has authorised the offer, sale and transfer of up to 16,864,585 Equity Shares by way of board resolutions dated October 10, 2017 and March 8, 2018, and its consent letter March 13, 2018.

4. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to letters dated March 27, 2018 and April 4, 2018, respectively.

Prohibition by SEBI or governmental authorities

Our Company, our Promoters, our Directors, the Promoter Group, the Group Companies, or the person(s) in control of the Promoters have not been prohibited or debarred from accessing the capital markets for any reason by or under any order or direction made by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoters or Directors or persons in control of our Company, are or were associated as promoter, directors or persons in control are not debarred from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except for (i) Deepak Parekh who, in addition to being associated with our Company, is associated with HDFC, (ii) Renu Karnad who, in addition to being associated with our Company, is associated with HDFC and HDFC Bank Limited and (iii) Keki Mistry who, in addition to being associated with our Company, is associated with HDFC and HDFC Bank Limited, none of our Directors are associated with the securities market in any manner, and no action has been initiated by SEBI against our Directors or any entity in which any of our Directors are involved as directors or promoters.

Prohibition by RBI

Neither our Company, nor our Promoters, Directors or Group Companies have been identified as Wilful Defaulters.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the ICDR Regulations as explained below:

- Our Company has had net tangible assets of at least ₹ 30 million in each of the preceding three full years (of 12 months each). As the Offer is being made entirely through an offer for sale, the limit of not more than 50% of net tangible assets being monetary assets, is not applicable;

- Our Company has a minimum average pre-tax operating profit of ₹ 150 million, calculated on a restated basis, during the three most profitable years out of the immediately preceding five years;

- Our Company has a net worth of at least ₹ 10 million in each of the three preceding full years (of 12 months each);

- The aggregate size of the Offer and all previous issues made in the same Fiscal is not expected to exceed five times the pre-Offer net worth as per the audited balance sheet of our Company for the preceding Fiscal; and

- Our Company has not changed its name within the last one year.

Our Company's pre-tax operating profit, net worth and net tangible assets derived from the Restated Financial Information included in this Prospectus as of, and for the last five fiscals are set forth below:

(₹ in million)

Particulars	Fiscal				
	2018	**2017**	**2016**	**2015**	**2014**
Net tangible assets*, as restated	21,360.65	14,026.24	11,278.43	10,970.98	8,867.05
Monetary assets**	19.54	11.63	8.68	24.63	9.38
Monetary assets as a % of net tangible assets	0.09	0.08	0.08	0.22	0.11
Pre-tax operating profit***, as restated	9,550.20	6,919.26	6,564.52	5,807.58	4,778.83
Net worth****, as restated	21,599.68	14,229.40	11,512.22	11,198.90	9,012.58

** Restated net tangible assets are defined as the sum of total assets excluding intangible assets as defined in Accounting Standard 26 notified under Section 133 of the Companies Act, 2013, intangible assets under development and net deferred tax assets, deducted by total non-current liabilities and current liabilities, each on a restated basis.*
*** Monetary Assets comprises of balance with bank in current and deposit account (net of bank deposits not considered as cash and cash equivalent).*
**** Restated pre-tax operating profit has been calculated as restated net profit before tax excluding other income, each on a restated basis.*
***** Restated net worth has been defined as the aggregate of the paid up share capital, securities premium account, and other reserves and surplus (excluding revaluation reserve), as restated at the end of the period / year. The Company does not have any revaluation reserve.*

In accordance with Regulation 26(4) of the ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be allotted shall not be less than 1,000, failing which, the entire application money will be refunded.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, CLSA INDIA PRIVATE LIMITED, DSP MERRILL LYNCH LIMITED, HDFC BANK, ICICI SECURITIES LIMITED, IIFL HOLDINGS LIMITED, JM FINANCIAL LIMITED, JP MORGAN INDIA PRIVATE LIMITED,

MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND THE PROMOTER SELLING SHAREHOLDERS WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES AND THEIR RESPECTIVE PROPORTION OF THE EQUITY SHARES OFFERED IN THE OFFER, THE BRLMS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, CLSA INDIA PRIVATE LIMITED, DSP MERRILL LYNCH LIMITED, HDFC BANK, ICICI SECURITIES LIMITED, IIFL HOLDINGS LIMITED, JM FINANCIAL LIMITED, JP MORGAN INDIA PRIVATE LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, CLSA INDIA PRIVATE LIMITED, DSP MERRILL LYNCH LIMITED, HDFC BANK, ICICI SECURITIES LIMITED, IIFL HOLDINGS LIMITED, JM FINANCIAL LIMITED, JP MORGAN INDIA PRIVATE LIMITED, MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MARCH 14, 2018, WHICH READS AS FOLLOWS:

WE, THE BRLMS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **"WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED MARCH 14, 2018 PERTAINING TO THE OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS WE CONFIRM THAT:**

   A. **THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;**

   B. **ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

   C. **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 (AS**

AMENDED AS REPLACED BY THE COMPANIES ACT, 2013 TO THE EXTENT IN FORCE), THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID. COMPLIED WITH AND NOTED FOR COMPLIANCE.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION, SUBJECT TO LOCK-IN, AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. – COMPLIED WITH AND NOTED FOR COMPLIANCE.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE OFFER. – NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' (AND OBJECTS ANCILLARY TO THE MAIN OBJECTS) LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY. - NOT APPLICABLE.**

9. **WE CERTIFY THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. – COMPLIED WITH.**

10. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE.**

11. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM.**

12. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

13. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    A. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    B. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.**

14. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. – NOTED FOR COMPLIANCE.**

15. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. COMPLIED WITH**

16. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. COMPLIED WITH**

17. **WE ENCLOSE A STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR. COMPLIED WITH**

18. **WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS OF THE COMPANY, IN ACCORDANCE WITH AS-18 IN THE RESTATED FINANCIAL INFORMATION INCLUDED IN THE DRAFT RED HERRING PROSPECTUS.**

19. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS. (IF APPLICABLE). – NOT APPLICABLE.]**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up, at any point of time, with the BRLMs any irregularities or lapses in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus.

The filing of this Prospectus does not absolve the Promoter Selling Shareholders from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 to the extent of the statements made by each of them in respect of itself and the Equity Shares offered by each such Promoter Selling Shareholder, as part of the Offer.

All legal requirements pertaining to the Offer have been complied with at the time of registering the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer have been complied with at the time of registration of this Prospectus with the RoC in terms of Sections 26, 30 and 32 of the Companies Act, 2013.

Price Information of past issues (during current financial year and two financial years preceding the current financial year) handled by the BRLMs are as follows:

Table 1: KMCC

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	Varroc Engineering Limited(1)	19,549.61	967	July 6, 2018	1,015.00	-	-	-
2.	IndoStar Capital Finance Limited	18,440.00	572	May 21, 2018	600.00	-0.96%[+1.84%]	-	-
3.	Lemon Tree Hotels Limited	10,386.85	56	April 9, 2018	61.60	+30.18%[+3.26%]	+29.91%[+3.79%]	-
4.	Bandhan Bank Limited	44,730.19	375	March 27, 2018	499.00	+31.81%[+3.79%]	+42.96%[+6.26%]-	-
5.	Aster DM Healthcare Limited	9,801.36	190	February 26, 2018	183.00	-13.66% [-3.77%]	-4.97%[+0.21%]	-
6.	The New India Assurance Company Limited(2)	95,858.22	800	November 13, 2017	750.00	-27.91% [+0.15%]	-12.93%[+2.25%]	-13.06%[+5.69%]
7.	Mahindra Logistics Limited(3)	8,288.84	429	November 10, 2017	429.00	+3.12% [-0.54%]	+9.48%[+1.50%]	+21.00%[+3.84%]
8.	General Insurance Corporation of India(4)	112,568.31	912	October 25, 2017	850.00	-12.92% [+0.52%]	-13.95%[+6.52%]	-20.78%[+2.61%]
9.	Indian Energy Exchange Limited	10,007.26	1,650	October 23, 2017	1,500.00	-8.15% [+1.39%]	-1.77%[+6.97%]	-0.71%[+3.72%]
10.	Godrej Agrovet Limited	11,573.12	460	October 16, 2017	615.60	+14.96%[-0.43%]	+34.95%[+4.40%]	+51.09%[+2.44%]

Source: www.nseindia.com

Notes:

1. *In Varroc Engineering Limited, the issue price to employees was ₹919 after a discount of ₹48 per equity share.*
2. *In The New India Assurance Company Limited, the issue price to retail individual bidders and employees was ₹770 per equity share after a discount of ₹30 per equity share.*
3. *In Mahindra Logistics Limited, the issue price to employees was ₹387 per equity share after a discount of ₹42 per equity share. The Anchor Investor Issue price was ₹429 per equity share.*
4. *In General Insurance Corporation of India, the issue price to retail individual bidders and employees was ₹867 per equity share after a discount of ₹45 per equity share.*
5. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
6. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
7. *Nifty is considered as the benchmark index.*
8. *Restricted to last 10 issues.*

Table 2: Summary statement of price information of past issues handled by KMCC

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	3	28,826.85	-	-	1	-	1	-	-	-	-	-	-	-
2017-2018	9	384,510.39	-	1	5	-	1	2	-	-	4	1	1	1
2016-2017	11	135,676.30	-	-	4	2	1	4	-	1	2	5	2	1

Notes:

1. The information is as on the date of this Prospectus.
2. The information for each of the financial years is based on issues listed during such financial year.

Table 1: Axis

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	Sandhar Technologies Limited	5,124.80	332.00	02-Apr-18	346.10	+19.59%, [+4.96%]	+15.41% [+4.36%]	-
2.	Hindustan Aeronautics Limited	41,131.33	1,215.00[!]	28-Mar-18	1,152.00	-6.96%, [4.98%]	-25.84%, [+6.41%]	-
3.	Bandhan Bank Limited	44,730.19	375.00	27-Mar-18	499.00	+31.81%, [3.79%]	+42.53%, [+5.68%]	-
4.	Aster DM Healthcare Limited	9801.00	190.00	26-Feb-18	183.00	-13.66%, [-3.77%]	-5.39%, [+1.00%]	-
5.	Khadim India Limited	5,430.57	750.00	14-Nov-17	730.00	-10.40%,[+0.06%]	-6.47%, [+3.47%]	+10.21%, [+6.09%]
6.	The New India Assurance Company Limited	18,933.96	800[$]	13-Nov-17	750.00	-27.91%,[+0.15%]	-7.81%, [+3.08%]	-13.06%, [+5.69%]
7.	Mahindra Logistics Limited	8,288.84	429[^]	10-Nov-17	429.00	+2.49%,[0.00%]	+9.48%,[+1.50%]	+21.00%, [+3.84%]

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
8.	Reliance Nippon Life Asset Management Limited	15,422.40	252	06-Nov-17	295.90	+3.61%[-3.19%]	+8.12%,[+2.05%]	-4.21, [+1.59%]
9.	General Insurance Corporation of India	111,758.43	912@	25-Oct-17	850.00	-12.92%,[+0.52%]	-13.95%,[+6.52%]	-22.02%, [2.81%]
10.	Indian Energy Exchange Limited	10,007.26	1650	23-Oct-17	1,500.00	-8.15%,[+1.39%]	-1.95%,[+7.67%]	-0.71%, [+3.72%]

Source: www.nseindia.com
**Offer Price was ₹632.00 per equity share to Eligible Employees*
@Offer Price was ₹855.00 per equity share to Retail Individual Bidders and Eligible Employees
^Offer Price was ₹387.00 per equity share to Eligible Employees
$Offer Price was ₹770.00 per equity share to Retail Individual Bidders and Eligible Employees
! Offer Price was ₹1,190.00 per equity share to Retail Individual Bidders and Eligible Employees

Notes:
Issue Size derived from Prospectus/final post issue reports, as available.
The CNX NIFTY is considered as the Benchmark Index.
Price on NSE is considered for all of the above calculations.
In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.
Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Table 2: Summary statement of price information of past issues handled by Axis

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019*	1	5,124.80	-	-	-	-	-	1	-	-	-	-	-	-
2017-2018	18	415,433.38	-	1	9	1	3	5	-	2	5	3	2	1
2016-2017	10	111,377.80	-	-	1	4	2	3	-	-	-	7	1	2

** The information is as on the date of the document*
The information for each of the financial years is based on issues listed during such financial year.
Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

Table 1: Citi

Sr. No.	Issuer name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	Varroc Engineering Limited	19,551.8	967.00	July 6, 2018	1,015.00	NA	NA	NA
2.	ICICI Securities Limited	35,148.5	520.00	April 4, 2018	435.00	(-)27.93% [+5.44%]	(-)38.63% [+5.64%]	NA
3.	General Insurance Corporation of India	112,568.3	912.00	October 25, 2017	850.00	(-)12.92% [+0.52%]	(-)13.95% [+6.52%]	(-)20.78% [+2.61%]
4.	SBI Life Insurance Company Limited	83,887.3	700.00	October 3, 2017	735.00	(-)7.56% [+5.89%]	(-)0.66% [+6.81%]	(-)3.11% [2.58%]
5.	AU Small Finance Bank Limited	19,125.1	358.00	July 10, 2017	530.00	+58.76% [+2.12%]	+71.80% [+2.14%]	+95.38% [+8.06%]
6.	Eris Lifesciences Limited	17,404.9	603.00	June 29, 2017	611.00	+0.87% [+5.37%]	(-)5.69% [+3.87%]	+27.19% [+10.40%]
7.	Tejas Networks Limited	7,766.9	257.00	June 27, 2017	257.00	+28.04% [+5.35%]	+23.27% [+4.76%]	+51.65% [+10.32%]
8.	India Grid Trust	22,499.6	100.00	June 6, 2017	99.70	(-)7.66% [+0.00%]	(-)3.50% [+3.50%]	(-)5.15% [+5.03%]
9.	Laurus Labs Limited	13,305.1	428.00	December 19, 2016	489.90	+11.44% [+3.62%]	+23.97% [+13.03%]	+41.43% [+18.31%]
10.	Endurance Technologies Limited	11,617.4	472.00	October 19, 2016	572.00	+16.06% [(-)6.69%]	+23.78% [(-)2.84%]	+76.32% [+5.68%]

Source: www.nseindia.com

Notes:
1. Nifty 50 is considered as the benchmark index.
2. In case 30th/ 90th/180th day is not a trading day, closing price on the NSE of a trading day immediately prior to the 30th/ 90th/180th day, is considered. A day prior to that is considered if the immediately preceding day is not a trading day
3. Since the listing date of ICICI Securities Limited was April 4, 2018, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available.
4. Since the listing date of Varroc Engineering Limited was July 6, 2018, information relating to closing prices and benchmark index as on 30th / 90th / 180th calendar day from listing date is not available.

Table 2: Summary statement of price information of past issues handled by Citi

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	2	54,700.3	-	1	-	-	-	-	-	-	-	-	-	-
2017-2018	6	263,252.1	-	-	3	1	1	1	-	-	3	2	1	-
2016-2017	5	59,804.8	-	-	1	-	1	3	-	-	1	3	1	-

Notes:
1. Since the listing date of ICICI Securities Limited was April 4, 2018, information relating to closing prices and benchmark index as on 180th calendar day from listing date is not available.
2. Since the listing date of Varroc Engineering Limited was July 6, 2018, information relating to closing prices and benchmark index as on 30th / 180th calendar day from listing date is not available.

Table 1: CLSA

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	Lemon Tree Hotels Limited[2]	10,386.85	56.00	April 9, 2018	61.60	+30.18%, [+3.26%]	+30.09%, [+4.56%]	Not Applicable
2.	ICICI Securities Limited[2]	35,148.49	520.00	April 4, 2018	435.00	-27.93%, [+5.44%]	-37.26%, [+5.22%]	Not Applicable
3.	Future Supply Chain Solutions Limited[2]	6,496.95	664.00	December 18, 2017	664.00	+3.50%, [+3.00%]	+6.27%, [-2.83%]	-5.20%, [+4.13%]
4.	HDFC Standard Life Insurance Company Limited[2]	86,950.07	290.00	November 17, 2017	310.00	+30.16%, [+1.02%]	+48.93%, [+2.11%]	+74.66%, [+5.04%]
5.	Reliance Nippon Life Asset Management Limited[2]	15,422.40	252.00	November 6, 2017	295.90	+3.61%, [-3.19%]	+8.12%, [+2.05%]	-4.21%, [+1.59%]
6.	ICICI Lombard General Insurance Company Limited[2]	57,009.39	661.00	September 27, 2017	651.10	+3.62%, [+6.25%]	+18.97%, [+8.17%]	+15.36%, [+4.06%]
7.	Varun Beverages Limited[2]	11,125.00	445.00	November 8, 2016	430.00	-7.72%, [-5.17%]	-9.36%, [+3.01%]	+10.60%, [+9.02%]

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
8.	ICICI Prudential Life Insurance Company Limited[2]	60,567.91	334.00	September 29, 2016	330.00	-7.60%, [+0.54%]	-11.54%, [-6.50%]	+12.31%, [+5.28%]

Source: www.nseindia.com

Notes:

1. *The CNX NIFTY is considered as the Benchmark Index.*
2. *Price on NSE is considered for all of the above calculations.*
3. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*
4. *Not applicable – where the relevant period has not been completed*

Table 2: Summary statement of price information of past issues handled by CLSA

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	2	45,535.33	-	1	-	-	1	-	-	-	-	-	-	-
2017-2018	4	165,878.81	-	-	-	-	1	3	-	-	2	1	-	1
2016-2017	2	71,692.91	-	-	2	-	-	-	-	-	-	-	-	2

Note:

1. *For 2018-19, the information is as on the date of this Offer Document*
2. *The Total number of IPOs and the Total amount of funds raised have been included for each financial year based on the IPO listed during such financial year*

Table 1: DSP

Sr. No.	ssue name	ssue size ₹ millions)	ssue rice(₹)	isting date	Opening price on listing date (in ₹)(3)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing(4) (5) (6)	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing(4) (5) (7)	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing(4) (5) (8)
1.	ICICI Securities Limited	35,801.16	520.00	April 4, 2018	435.00	-27.93% [+5.44%]	-37.3% [+5.22%]	Not applicable
2.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	27-Sep-17	651.10	+3.62% [+6.25%]	+18.97% [+8.17%]	15.36% [4.06%]

Sr. No.	ssue name	ssue size ₹ millions)	ssue price(₹)	Listing date	Opening price on listing date (in ₹)[3]	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing[4] [5] [6]	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing[4] [5] [7]	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing[4] [5] [8]
3.	PNB Housing Finance Limited[1]	30,000.00	775.00	7-Nov-16	860.00	+11.70% [-4.16%]	+26.92% [+3.58%]	+70.50% [+9.28%]
4.	ICICI Prudential Life Insurance Company Limited	60,567.91	334.00	29-Sep-16	330.00	-7.60% [+0.54%]	-11.54% [-6.50%]	+12.31% [+5.28%]
5.	L&T Technology Services Limited	8,944.00	860.00	23-Sep-16	920.00	-1.09% [-1.39%]	-8.54% [-8.72%]	-9.55% [3.28%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details

1) *Calculated offer size based on final allotment after technical rejections which is 66,925,305 Equity Shares*
2) *In PNB Housing Finance Limited, price for eligible employees was Rs.700 per equity share*
3) *Opening price information as disclosed on the website of NSE.*
4) *Benchmark index is CNX Nifty*
5) *In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of next trading day is considered*
6) *30th listing day has been taken as listing date plus 29 calendar days.*
7) *90th listing day has been taken as listing date plus 89 calendar days.*
8) *180th listing day has been taken as listing date plus 179 calendar days*

Table 2: Summary statement of price information of past issues handled by DSP

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	1	35,801.16	-	1	-	-	-	-	-	-	-	-	-	-
2017-2018	1	57,009.39	-	-	-	-	-	1	-	-	-	-		1
2016-2017	3	99,511.91	-	-	2	-	-	1	-	-	1	1	-	1

Source: www.nseindia.com

1. Based on the day of listing

Table 1: HDFC Bank

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	H.G. Infra Engineering Limited	4,620	270	March 9, 2018	270.00	+22.96% [+1.49%]	+8.35% [+4.48%]	-

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
2.	HDFC Standard Life Insurance Company Limited	86,950.07	290	November 17, 2017	310.00	+30.16%[+1.02%]	+48.93% [+2.11%]	+74.66% [+5.04%]
3.	AU Small Finance Bank Limited	19,125.14	358	July 10, 2017	525.00	+58.76%[+2.12%]	+65.20% [+2.23%]	+95.38% [+8.06%]
4.	Shankara Building Products Limited	3,450.01	460	April 5, 2017	555.05	+51.04% [+1.02%]	+80.91%[+3.78%]	+214.86% [+6.41%]
5.	Avenue Supermarts Limited	18,700.00	299	March 21, 2017	600.00	+145.08% [-0.20%]	+166.35%[+5.88%]	+264.38%[+11.31%]
6.	RBL Bank Limited	12,129.67	225	August 31, 2016	274.20	+27.07% [-2.22%]	+56.98% [-7.50%]	+107.91% [+1.26%]

Source: www.nseindia.com for price information and prospectus for issue details

1. *Opening price information as disclosed on the website of NSE*
2. *Change in closing price over the issue/offer price as disclosed on NSE*
3. *Change in closing price over the closing price as on the listing date for benchmark index i.e. NIFTY 50*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately after the trading holiday have been considered*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days*

Table 2: Summary statement of price information of past issues handled by HDFC Bank

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019*	NIL	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2017-2018	4	114,145.22	-	-	-	2	1	1	-	-	-	3	-	-
2016-2017	2	30,829.67	-	-	-	1	1	-	-	-	-	2	-	-

The information is as on the date of this Prospectus

Table 1: I-Sec

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	Housing and Urban Development Corporation Limited	12,095.70	60.00(1)	May 19, 2017	73.00	+13.17%, [+2.44%]	+34.67%, [+4.98%]	+35.67%, [+8.05%]
2.	AU Small Finance Bank Limited	19,125.14	358.00	July 10. 2017	530.00	+58.76%, [+2.12%]	+65.20%, [+2.23%]	+95.38%,[+8.06%]
3.	Security and Intelligence Services (India) Limited	7,795.80	815.00	August 10, 2017	879.80	-3.29%, [+1.17%]	+3.14%, [+5.40%]	+39.12%,[+8.62%]
4.	Matrimony.Com Limited	4,974.79	985.00(2)	September 21, 2017	985.00	-12.28%, [+0.62%]	-7.64%,[+3.37%]	-16.55%,[-0.27%]
5.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.10	+3.62%, [+6.25%]	+18.97%,[+8.17%]	+15.36%,[4.06%]
6.	SBI Life Insurance Company Limited	83,887.29	700.00(3)	October 3, 2017	735.00	-7.56%, [+5.89%]	-0.07%,[+5.84%]	-2.30%,[3.57%]
7.	Newgen Software Technologies Limited	4,246.20	245.00	January 29, 2018	254.10	-0.20%, [-5.18%]	+2.51%[-3.51%]	-2.00%,[1.33%]
8.	Galaxy Surfactants Limited	9,370.90	1,480.00	February 8, 2018	1,525.00	+1.14%, [-3.31%]	-0.85%[+1.33%]	-
9.	Aster DM Healthcare Limited	9,801.4	190.00	February 26, 2018	183.00	-13.66%,[-3.77%]	-5.39%,[+1.00%]	-
10.	Sandhar Technologies Limited	5,124.80	332.00	April 2, 2018	346.10	+19.59%[+4.96%]	+15.41%,[+4.36%]	-

1. Discount of Rs.2 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of Rs. 60.00 per equity share.
2. Discount of Rs. 98 per equity share offered to retail investors and to Eligible Employees. All calculations are based on Issue Price of Rs. 985.00 per equity share.
3. Discount of Rs. 68 per equity share offered to Eligible Employees. All calculations are based on Issue Price of Rs. 700.00 per equity share.

Notes:
1. *All data sourced from www.nseindia.com*
2. *Benchmark index considered is NIFTY*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day*

Table 2: Summary statement of price information of past issues handled by I-Sec

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	1	5,124.80	-	-	-	-	-	1	-	-	-	-	-	-
2017-2018	9	208,306.61	-	-	5	1	-	3	-	-	**3**	**1**	**2**	**1**
2016-2017	12	160,855.45	-	-	3	4	4	1	-	1	1	7	2	1

Table 1: IIFL

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	Dixon Technologies (India) Limited	5,992.79	1,766.00	September 18, 2017	2,725.00	+50.8%, [+1.2%]	+80.9%, [+2.5%]	+95.2%, [+1.1%]
2.	Capacit'e Infraprojects Limited	4,000.00	250.00	September 25, 2017	399.00	+34.9%, [+3.3%]	+60.3%, [+5.3%]	+18.1%, [+0.3%]
3.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.00	+3.3%, [+4.6%]	+19.0%, [+6.7%]	+15.4%, [+2.6%]
4.	Indian Energy Exchange Limited	10,007.26	1,650.00	October 23, 2017	1,500.00	-5.6%, [+1.9%]	-1.8%, [+7.4%]	-0.7%, [+4.1%]
5.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	+1.2%, [-3.9%]	+5.9%, [+2.9%]	-4.2%, [+1.6%]
6.	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	+31.5%, [+1.2%]	+49.0%, [+3.2%]	+71.6%, [+5.2%]
7.	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.2%, [+4.2%]	-11.7%, [+1.1%]	-29.3%, [+5.9%]
8.	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.1%, [+4.4%]	+6.9%, [-1.3%]	-5.2%, [+4.7%]
9.	ICICI Securities Limited	35,148.49	520.00	April 04, 2018	435.00	-28.9%, [+3.6%]	-38.6%, [+4.4%]	NA

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
10.	Varroc Engineering Limited	19,551.75	967.00	July 06, 2018	1,015.00	NA	NA	NA

Source: www.nseindia.com
Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable.

Table 2: Summary statement of price information of past issues handled by IIFL

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	2	54,700.24	-	1	-	-	-	-	-	-	-	-	-	-
2017-2018	9	1,98,722.66	-	-	3	1	2	3	-	1	3	2	1	2
2016-2017	5	92,062.31	-	-	1	2	1	1	-	-	-	3	1	1

Source: www.nseindia.com

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

Table 1: JM

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	Fine Organic Industries Limited	6,001.69	783.00	July 2, 2018	815.00	NA	NA	NA
2.	IndoStar Capital Finance Limited	18,440.00	572.00	May 21, 2018	600.00	-0.96% [+1.84%]	NA	NA
3.	Bandhan Bank Limited	44,730.19	375.00	March 27, 2018	499.00	+31.81% [+3.79%]	+42.96[+6.26%]	NA
4.	Aster DM Healthcare Limited	9,801.00	190.00	February 26, 2018	183.00	-13.66% [-3.77%]	-4.97%[+0.21%]	NA
5.	Galaxy Surfactants Limited	9,370.88	1,480.00	February 8, 2018	1,525.00	+1.14% [-3.31%]	-0.85% [+1.33%]	NA

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
6.	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 6, 2017	295.90	+3.61% [-3.19%]	+5.91% [+2.95%]	-4.21% [+1.59%]
7.	Prataap Snacks Limited	4,815.98	938.00(1)	October 5, 2017	1,270.00	+25.12% [+5.70%]	+31.82% [+5.60%)	+40.99% [+3.27%)
8.	SBI Life Insurance Company Limited	83,887.29	700.00(2)	October 3, 2017	735.00	-7.56% [+5.89%]	-0.66% [+6.81%]	-3.11% [+2.58%]
9.	ICICI Lombard General Insurance Company Limited	57,009.40	661.00	September 27, 2017	651.10	+3.62% [+6.25%]	+17.60% [+7.78%]	+12.13% [+2.69%]
10.	Cochin Shipyard Limited	14,429.30	432.00(3)	August 11, 2017	440.15	+27.06% [+2.31%]	+30.96% [+6.10%]	+20.01% [+8.11%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details

Notes:

1. *A discount of ₹90 per equity share had been offered to eligible employees.*
2. *A discount of ₹68 per equity share had been offered to eligible employees.*
3. *A discount of ₹21 per equity share had been offered to eligible employees and retail individual bidders.*
4. *Opening price information as disclosed on the website of NSE.*
5. *Change in closing price over the issue/offer price as disclosed on NSE.*
6. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*
7. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
8. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
9. *Restricted to last 10 issues.*

Table 2: Summary statement of price information of past issues handled by JM

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019*	2	24,441.69	-	-	1	-	-	-	-	-	-	-	-	-
2017-2018	10	251,600.44	-	-	4	-	3	3	-	1	3		1	2
2016-2017	7	137,049.21	-	-	2	1	1	3	-	-	1	2	2	2

The information is as on the date of this Prospectus.

Table 1: JP Morgan

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	InterGlobe Aviation Limited[1]	30, 171.4	765.00	November 10, 2015	855.80	32.4%, [-3.8%]	7.8%, [-6.7%]	40.8%, [-0.6%]
2.	Alkem Laboratories Limited[2]	13,477.6	1,050.00	December 23, 2015	1,380.00	30.3%, [-6.5%]	28.6%,[-1.1%]	31.9%, [5.8%]
3.	Quick Heal Technologies Limited	4,512.5	321.00	February 18, 2016	305.00	-31.6%,[7.0%]	-20.0%, [11.0%]	-24.2%, [21.6%]
4.	PNB Housing Finance Limited[3]	30,000.0	775.00	November 7, 2016	860.00	11.7%,[-3.4%]	26.9%,[4.4%]	70.5%,[10.1%]
5.	Bandhan Bank Limited	44,730.2	375.00	March 27, 2018	499.00	31.8%,[4.3%]	42.5%,[6.2%]	-
6.	Lemon Tree Hotels Limited	10,386.8	56.00	April 9, 2018	61.60	30.2%,[3.7%]	30.1%,[5.0%]	-

Source: www.nseindia.com
[1]*Price for eligible employees was INR 688.50 per equity share*
[2]*Discount of INR 100 per equity share to the offer price offered to eligible employees*
[3]*Discount of INR 75per equity share to the offer price offered to eligible employees*

Notes:
1. *The S&P CNX NIFTY is considered as the Benchmark Index.*
2. *Price on NSE is considered for all of the above calculation*
3. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered*
4. *Closing price of 30th, 90th, 180th calendar day from listing day has been taken as listing day plus 29, 89 and 179 calendar days respectively*
5. *Pricing Performance for the company is calculated as per the final offer price*
6. *Pricing Performance for the benchmark index is calculated as per the close on the day prior to the listing date*
7. *Issue size as per the basis of allotment*

Table 2: Summary statement of price information of past issues handled by JP Morgan

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	1	10,386.8	-	-	-	-	1	-	-	-	-	-	-	-
2017-2018	1	44,730.2	-	-	-	-	1	-	-	-	-	-	-	-
2016-2017	1	30,000.0	-	-	-	-	-	1	-	-	-	1	-	-

Note:
In the event that any day falls on a holiday, the price/ index of the next trading day has been considered.
The information for each of the financial years is based on issues listed during such financial year.

Table 1: MS

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing(3)(4)(5)	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing(3)(4)(5)	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing(3)(4)(5)
1.	RBL Bank Limited	12,130	225	August 31, 2016	274.20	27.1% (-1.8%)	57.0% (-7.1%)	107.9% (1.7%)
2.	PNB Housing Finance Limited (6)	30,000	775	November 7, 2016	860.00	11.7% (-3.4%)	26.9% (4.4%)	70.5% (10.1%)
3.	HDFC Standard Life Insurance Company Limited	86,950	290	November 17, 2017	310.00	31.5% (1.2%)	49.0% (3.2%)	71.6% (5.2%)
4.	Indostar Capital Finance	18,440	572	May 21, 2018	600.00	-1.9% (1.1%)	-	-

Source*: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details.*

Notes*:*

1. *Benchmark index considered is NIFTY50*
2. *Issue Size is as per the prospectus filed with SEBI with the figures rounded off to the nearest decimal point*
3. *If the 30th/90th/180th day falls on a trading holiday then pricing information on the immediate next trading day has been considered*
4. *Pricing Performance for the company is calculated as per the final offer price*
5. *Pricing Performance for the benchmark index is calculated as per the close on the day prior to the listing date*
6. *A discount of INR 75.0 was offered to employee investors*

Table 2: Summary statement of price information of past issues handled by MS

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-19*	1	18,440	-	-	1	-	-	-	-	-	-	-	-	-
2017-18	1	86,950	-	-	-	-	1	-	-	-	-	1	-	-
2016-17	2	42,130	-	-	-	-	1	1	-	-	-	2	-	-

Source: www.nseindia.com
** As on the date of this Prospectus*

Table 1: Nomura

Sr. No.	Issue name	Issue size (₹ millions)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar day from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar day from listing
1.	Indostar Capital Finance Limited	18,440.00	572	May 21, 2018	600	-0.96% [+1.84%]	Not applicable	Not applicable
2.	Future Supply Chain Solutions Limited	6,496.95	664	December 18, 2017	664	+3.50% [+3.00%]	+6.27% [-2.83%]	-5.20% [+4.13%]
3.	HDFC Standard Life Insurance Company Limited	86,950.07	290	November 17, 2017	310	+30.16% [+1.02%]	+48.93% [+2.11%]	+74.66% [+5.04%]
4.	The New India Assurance Company Limited[1]	95,858.23	800	November 13, 2017	750	-27.91% [+0.15%]	-7.81% [+3.08%]	-13.06% [+5.69%]
5.	Reliance Nippon Life Asset Management Limited	15,422.40	252	November 6, 2017	295.9	+3.61% [-3.19%]	+8.12% [+2.05%]	-4.21% [+1.59%]
6.	Central Depository Services (India) Limited	5,239.91	149	June 30, 2017	250	+127.92% [+5.84%]	+128.86%, [+2.26%]	+146.71%, [+10.61%]
7.	Tejas Networks Limited	7,766.88	257	June 27, 2017	257	+28.04%, [+5.35%]	+17.82%, [+3.80%]	+51.36%, [+10.73%]
8.	Housing and Urban Development Corporation Limited[2]	12,097.77	60	May 19, 2017	73	+13.17%, [+2.44%]	+34.67%, [+4.98%]	+35.67%, [+8.05%]
9.	BSE Limited	12,434.32	806	February 3, 2017	1,085	+17.52%, [+2.55%]	+24.41%, [+6.53%]	+34.43% [+15.72%]

Source: www.nseindia.com

1. *Price for retail individual investors and Eligible Employees bidding in the Employee Reservation Portion was ₹770.00 per equity share*
2. *Price for retail individual bidders bidding in the retail portion and to eligible employees was ₹58.00 per equity share*

Notes:

a. The CNX NIFTY has been considered as the Benchmark Index.
b. Price on NSE is considered for all of the above calculations.
c. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.
d. Not applicable – Period not completed

Table 2: Summary statement of price information of past issues handled by Nomura

Financial Year	Total No. of IPOs	Total funds raised (₹ in Millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	1	18,440.00	-	-	1	-	-	-	-	-	-	-	-	-
2017-2018	7	229,832.21	-	1	-	1	2	3	-	-	3	3	1	-
2016-2017	1	12,434.32	-	-	-	-	-	1	-	-	-	-	1	-

Source: www.nseindia.com
Notes:
a)The information is as on the date of this Prospectus.
b)The information for each of the financial years is based on issues listed during such financial year.
c)1 issue was completed in the financial year 2018-19. However, 1 issue has not completed 180 days.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular (CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please refer to the websites of the BRLMs, as set forth in the table below:

Sr. No.	Name of the BRLM	Website
1.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
2.	Axis Capital Limited	http://www.axiscapital.co.in
3.	Citigroup Global Markets India Private Limited	http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
4.	CLSA India Private Limited	http://www.india.clsa.com/
5.	DSP Merrill Lynch Limited	http://www.ml-india.com/investmentbanking.html
6.	HDFC Bank Limited	https://www.hdfcbank.com
7.	ICICI Securities Limited	www.icicisecurities.com
8.	IIFL Holdings Limited	http://www.iiflcap.com
9.	JM Financial Limited	www.jmfl.com
10.	J.P. Morgan India Private Limited	www.jpmipl.com
11.	Morgan Stanley India Company Private Limited	http://www.morganstanley.com/indiaofferdocuments/
12.	Nomura Financial Advisory and Securities (India) Private Limited	http://www.nomuraholdings.com/company/group/asia/india/index.html

Caution– Disclaimer from our Company, the Promoter Selling Shareholders, our Directors, and the BRLMs

Our Company, our Directors, and the BRLMs accept no responsibility for statements made otherwise than those contained in this Prospectus or in any advertisements or any other material issued by or at our Company's instance. It is clarified that each Promoter Selling Shareholder is providing information in this Prospectus only about and in relation to itself and the Equity Shares offered by it in the Offer and is not responsible or liable for any other statement or information contained in this Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.hdfcfund.com, or the website of any of our Promoters, Promoter Group, Group Companies or of any affiliate or associate of our Company, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, our Company and the Promoter Selling Shareholders.

All information, required in relation to the Offer shall be made available by our Company, each of the Promoter Selling Shareholders (to the extent that such information pertains to such Promoter Selling Shareholder and the

Equity Shares offered by it by way of the Offer), and the BRLMs to the public and investors at large, and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

None amongst our Company, the Promoter Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Promoter Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Each of the BRLMs and their respective associates and affiliates, in their capacity as principal or agent, is and may in the future be involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, research, securities issuance, trading (customer and proprietary) and brokerage). Certain of the BRLMs and/or their respective associates and affiliates has engaged, and may in the future engage, in transactions with, and has performed, and may in the future perform, services for, our Company, the Promoter Selling Shareholders and their respective group companies, affiliates or associates or any third parties in the ordinary course of their commercial banking and investment banking activities, for which they have received, and may in the future receive, compensation. In addition, in the ordinary course of their commercial banking and investment banking activities, the BRLMs, and their respective associates and affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities (or related derivative instruments) or senior loans of our Company, the Promoter Selling Shareholders and/or any of their respective group companies, affiliates or associates or any third parties. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer in Respect of Jurisdiction

The Offer is being made in India to persons resident in India, including Indian national residents in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitutions to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, SI NBFCs, GoI and permitted Non-Residents including FPIs and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 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 U.S. Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") and referred to in this Prospectus as "U.S. QIBs" and, for the avoidance of doubt, the term U.S. QIBs

does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as "QIBs") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, that are also "qualified purchasers" (as defined under the U.S. Investment Company Act) in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction except in compliance with the applicable laws or such jurisdiction.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, Maharashtra, India.

Eligibility and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States, unless so registered, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Our Company has not registered and does not intend to register under the U.S. Investment Company Act. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Prospectus as "U.S. QIBs" and, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as "QIBs") and "qualified purchasers" (as defined under the U.S. Investment Company Act and referred to in this Prospectus as "QPs") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and in reliance upon section 3(c)(7) of the U.S. Investment Company Act; or (ii) outside the United States to investors that are not U.S. Persons nor persons acquiring for the account or benefit of U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in accordance with Regulation S to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the Bombay Stock Exchange or the National Stock Exchange). See "Offer Information – Terms of the Offer – Eligibility and Transfer Restrictions" beginning on page 398 of this Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

The Red Herring Prospectus or this Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Red Herring Prospectus and/or this Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Red Herring Prospectus and this Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Red Herring Prospectus or this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company and the Promoter Selling Shareholders and their respective affiliates from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the Securities Act.

Our Company is not and will not be registered under the U.S. Investment Company Act, and investors will not be entitled to the benefits of the U.S. Investment Company Act.

Eligible Investors

The Equity Shares are being offered and sold:

i. in the United States or to, or for the account or benefit of, U.S. Persons, in each case that are both U.S. QIBs and QPs, in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act in reliance on Rule 144A and the U.S. Investment Company Act in reliance on section 3(c)(7) of that act; and

ii. outside the United States to investors that are not U.S. Persons, nor persons acquiring for the account or benefit of U.S. Persons, in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of the Red Herring Prospectus, this Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company, the Promoter Selling Shareholders and the BRLMs that it has received a copy of the Red Herring Prospectus, this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the purchaser (i) is a U.S. QIB and a QP, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, (iii) was not formed for the purpose of investing in the Equity Shares and (iv) is acquiring such Equity Shares for its own account or for the account of one or more persons, each of which is a U.S. QIB and a QP, with respect to which it exercises sole investment discretion; the purchaser, and each account for which it is purchasing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency;

(4) the purchaser acknowledges that the Company has not registered, and does not intend to register, as an "investment company" (as such term is defined under the U.S. Investment Company Act) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and U.S. Persons described herein so that the Company will qualify for the exception provided under section 3(c)(7) of the U.S. Investment Company Act and will have no obligation to register as an investment company. The purchaser, and each person for which it is acting, also understands and agrees that the Company and the BRLMs shall have the right to request and receive such additional documents,

certifications, representations and undertakings, from time to time, as they may deem necessary in order to comply with applicable legal requirements;

(5) the purchaser is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of issuers unaffiliated with such broker-dealer;

(6) the purchaser understands that, subject to certain exceptions, to be a QP, entities must have U.S.$25 million in "investments" (as defined in Rule 2a51- 1 of the U.S. Investment Company Act);

(7) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(8) the purchaser is not a participant-directed employee plan, such as a 401(k) plan, or a trust holding the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan;

(9) the purchaser is not managed as a device for facilitating individual investment decisions of beneficial owners, but rather is managed as a collective investment vehicle;

(10) the purchaser, and each account for which it is purchasing or otherwise acquiring Equity Shares, will purchase, hold or transfer Equity Shares amounting to at least US$250,000 or its equivalent in another currency;

(11) it, and each person for which it is acting, was not formed, reformed or recapitalized for the purpose of investing in the Equity Shares and/or other securities of the Company;

(12) if the purchaser, or any person for which it is acting, is an investment company excepted from the U.S Investment Company Act pursuant to section 3(c)(1) or section 3(c)(7) thereof (or a foreign investment company under section 7(d) thereof relying on section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a QP in the manner required by section 2(a)(51)(C) of the U.S. Investment Company Act and the rules promulgated thereunder;

(13) the purchaser, and each person for which it is acting, is not a partnership, common trust fund, or corporation, special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both QIBs and QPs;

(14) the purchaser, and each person for which it is acting, has not invested more than 40.0% of its assets in the Equity Shares (or beneficial interests therein) and/or other securities of the Company after giving effect to the purchase of the Equity Shares (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both QIBs and QPs);

(15) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act to a person outside the United States and not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the Bombay Stock Exchange or the National Stock Exchange). The purchaser agrees not to effect any sale, pledge or other transfer of any Equity Shares in a transaction unless the purchaser first executes a US Resale Letter in the form of Annexure A to this Prospectus and delivers such letter to the Company prior to the settlement if any, of the sale, pledge or other transfer of the Equity Shares that is not consummated on the BSE or the NSE. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

(16) is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection

with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof;

(17) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

(18) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(19) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares;

(20) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company and the Promoter Selling Shareholders determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

(21) the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic interest or beneficial interest in the Equity Shares acquired or reoffer, resell, pledge or otherwise transfer the Equity Shares or any beneficial interest therein, to any person except to a person that meets all of the requirements above and who agrees not to subsequently transfer the Equity Shares or any beneficial interest therein except in accordance with these transfer restrictions;

(22) the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person

authorized by the Company in connection with the foregoing;

(23) the purchaser understands and acknowledges that our Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of “covered fund” in the Volcker Rule includes (generally) any entity that would be an investment company under the U.S. Investment Company Act, but for the exceptions provided under section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be considered to be a “covered fund”. Accordingly, “banking entities” that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption. Each purchaser must make its own determination as to whether it is a banking entity subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares;

(24) the purchaser is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on ownership and transfer and the restrictions on sales of the Equity Shares and is aware that there are substantial risks incidental to the purchase of the Equity Shares and is able to bear the economic risk of such purchase; and

(25) the purchaser acknowledges that the Company, the Promoter Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company and the Promoter Selling Shareholders, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is a non-U.S. Person and acquiring the Equity Shares sold pursuant to this Offer outside the United States, by a declaration included in the Bid cum Application Form and its acceptance of this Prospectus and of the Equity Shares sold pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company, the Promoter Selling Shareholders and the BRLMs that it has received a copy of the Red Herring Prospectus, this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares sold pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares issued pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the purchaser is purchasing the Equity Shares issued pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares issued pursuant to this Offer, is a non-U.S. Person and was located outside the United States at each time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated, and continues to be a non-U.S. Person and located outside the United States and has not purchased such Equity Shares for the account or benefit of any U.S. Person or any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any U.S. Person or any person in the United States;

(5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act to a person not known by the transferor to be a U.S. Person by pre-arrangement or otherwise (including, for the avoidance of doubt, a bona fide sale on the Bombay Stock Exchange or the National Stock Exchange). The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them, and confirms that the proposed transfer of the Equity Shares is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the U.S. Investment Company Act;

(7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

(8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company and the Promoter Selling Shareholders determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND THE ISSUER HAS NOT BEEN REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "U.S. INVESTMENT COMPANY ACT"). THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO A PERSON OUTSIDE THE UNITED STATES AND NOT KNOWN BY THE TRANSFEROR TO BE A US PERSON BY PRE-ARRANGEMENT OR OTHERWISE IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND OTHERWISE IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND THE U.S. INVESTMENT COMPANY ACT.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER.

(9) the purchaser agrees, upon a proposed transfer of the Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Equity Shares being sold;

(10) the purchaser understands and acknowledges that (i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; (ii) any acquisition of a beneficial interest in the Equity Shares by any U.S. Person or any person within the United States who is required under these restrictions to be a QP but is not a QP at the time it acquires a beneficial interest in the Equity Shares, shall be null and void ab initio and will not be honored by the Company and in no event will the Company, its directors, officers, employees or agents, including any broker or dealer, have any liability whatsoever to the purchaser by reason of any act or failure to act by any person authorized by the Company in connection with the foregoing;

(11) the purchaser understands and acknowledges that our Company may be considered a "covered fund" for purposes of the Volcker Rule. The definition of "covered fund" in the Volcker Rule includes (generally) any entity that would be an investment company under the U.S. Investment Company Act, but for the exceptions provided under section 3(c)(1) or 3(c)(7) thereunder. Because our Company relies on section 3(c)(7) of the U.S. Investment Company Act for its exclusion from registration thereunder, it may be

considered to be a covered fund. Accordingly, "banking entities" that are subject to the Volcker Rule may be prohibited under the Volcker Rule from, among other things, acquiring or retaining our Equity Shares, absent any applicable exclusion or exemption. Each purchaser must make its own determination as to whether it is a "banking entity" subject to the Volcker Rule and, if applicable, the potential impact of the Volcker Rule on its ability to purchase or retain our Equity Shares; and

(12) the purchaser acknowledges that the Company, the Promoter Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, the Promoter Selling Shareholders and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each European Economic Area State that has implemented the Prospectus Directive (Directive 2003/71/EC) (each, a "Relevant Member State"), an offer to the public of any Equity Shares which are the subject of the offering contemplated by the Red Herring Prospectus, this Prospectus may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investors as defined under the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the BRLM;

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall result in a requirement for the Company, the Promoter Selling Shareholders or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in the Red Herring Prospectus, this Prospectus will be deemed to have represented, warranted and agreed to with the BRLMs and the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this clause, the expression an "offer to the public" in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase any or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU. In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the BRLMs has been obtained to each such proposed offer or resale. The Company, the Promoter Selling Shareholders the

BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

Disclaimer Clause of NSE

"*As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/42858 dated April 04, 2018 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 draft 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 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 BSE

"*BSE Limited ("the Exchange") has given vide its letter dated March 27, 2018 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which the 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 securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at the Corporate Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 has been delivered for registration to the RoC, and a copy of this Prospectus required to be filed under Section 26 of the Companies Act, 2013, will be delivered for registration to the RoC.

The office of the RoC is located at:

Registrar of Companies, Maharashtra

100, Everest,
Marine Drive
Mumbai 400 002

Listing

The Equity Shares issued through the Red Herring Prospectus and this Prospectus are proposed to be listed on BSE and NSE. Initial listing applications will be made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. NSE will be the Designated Stock Exchange with which the 'Basis of Allotment' will be finalised.

If permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company and the Promoter Selling Shareholders will forthwith repay, all moneys received from the applicants in pursuance of the Red Herring Prospectus,and this Prospectus required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Promoter Selling Shareholders and every officer in default shall be liable to repay the money, with interest as prescribed under applicable laws.

Our Company and the Promoter Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Offer Closing Date. If our Company does not Allot Equity Shares pursuant to the Offer within six Working Days from the Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Impersonation

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 to any other person in a fictitious name,***

shall be liable for action under section 447."

Consents

Consents in writing of the Promoter Selling Shareholders, the Directors, the Company Secretary and Compliance Officer, Chief Financial Officer, the Bankers to the Company, the BRLMs and Syndicate Members, Escrow Collection Bank(s), Public Offer Account Banks, Refund Bank(s), Registrar to the Offer, Legal Counsel to the Company as to Indian law, Legal Counsel to each of the Promoter Selling Shareholders, Legal Counsel to the BRLMs as to Indian Law and Legal Counsel to the BRLMs as to International Law to act in their respective capacities, have been obtained and have been filed along with a copy of the Red Herring Prospectus with the RoC, as required under the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of this Prospectus for registration with the RoC.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from its Statutory Auditor, namely, B S R & Co. LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include:
(i) their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus;
(ii) to include their examination reports on the Restated Financial Information dated June 15, 2018 and the Statement of Tax Benefits dated July 13, 2018 in this Prospectus; and
(iii) to be named as an "Expert" as defined under Section 2(38) read with Section 26(5) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors of our Company and in respect of (a) their examination reports on the Restated Financial Information dated June 15, 2018 and (b) the Statement of Tax Benefits dated July 13, 2018, included in this Prospectus;

and such consent has not been withdrawn as on the date of this Prospectus.

Offer Expenses

The expenses of this Offer include, amongst others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Offer expenses, see "*Objects of the Offer*" on page 120 of this Prospectus.

All expenses with respect to the Offer will be borne by the Promoter Selling Shareholders in the manner mutually agreed upon amongst them, and if any expenses, made by our Company in relation to the Offer, shall be on behalf of the Promoter Selling Shareholders and such payments will be reimbursed by the Promoter Selling Shareholders to our Company in the manner mutually agreed upon amongst them.

Fees, Brokerage and Selling Commission Payable to the BRLMs and the Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expense) will be as stated in the engagement letters among our Company, the Promoter Selling Shareholders and the BRLMs and the Syndicate Agreement. For further details, please see "*Objects of the Offer*" on page 120 of this Prospectus.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated March 13, 2018 entered into, among our Company, the Promoter Selling Shareholders and the Registrar to the Offer, a copy of which is available for inspection at the Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send such refund in any of the modes described in this Prospectus or Allotment Advice by registered post/speed post/ordinary post.

Previous public or rights issues during the last five years

Our Company has not made any previous public issue or any rights issues during the five years preceding the date of this Prospectus.

Previous issues of securities otherwise than for cash

Except as disclosed in the section "*Capital Structure*" on page 79 of this Prospectus, our Company has not issued any securities for consideration other than cash.

Underwriting commission, brokerage and selling commission on previous issues

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

Capital issuances in the preceding three years

Except as disclosed in "*Capital Structure*" on page 79 of this Prospectus, our Company has not made any capital issues during the three years preceding the date of this Prospectus.

Details of public/ rights issues by listed Group Companies in the last three years

Except for HDFC Standard Life Insurance Company Limited, none of our listed Group Companies have undertaken any public / rights issues in the last three years.

- During the year 2017, HDFC Standard Life Insurance Company Limited completed its initial public offering of 299,827,818 equity shares by way of an offer for sale of 91,246,050 equity shares by HDFC and 108,581,768 equity shares by Standard Life (Mauritius Holdings) 2006 Limited, aggregating to ₹86,950 million. The Issue closed on November 9, 2017. The equity shares were allotted on November 15, 2017.

Performance vis-à-vis objects – Public/rights issue by our Company and listed Group Companies of our Company

Our Company has not undertaken any public or rights issue in the past. Except for HDFC Standard Life Insurance Company Limited, none of our listed Group Companies and associates has undertaken any public/ rights issue in the last ten years. HDFC Standard Life Insurance Company Limited had undertaken an initial public offering of its equity shares by way of an offer for sale and, accordingly, the proceeds of this initial public offering were transferred to the selling shareholders, being HDFC and Standard Life (Mauritius Holdings) 2006 Limited.

Outstanding debentures or bond issues or preference shares or other instruments

Other than employee stock options issued to eligible employees under the ESOS Schemes, there are no outstanding debentures or bonds or preference shares (including redeemable preference shares) or other instruments issued by our Company as of the date of this Prospectus.

Stock Market Data of the Equity Shares

This being an initial public offering of our Company, the Equity Shares are not listed on any stock exchange.

Other Disclosures

None of our Directors, Promoters and/or the members of our Promoter Group, nor directors of our Promoters and their immediate relatives have purchased or sold any securities of our Company, during a period of six months preceding the date of filing the Draft Red Herring Prospectus, the Red Herring Prospectus and until the date of this Prospectus.

Mechanism for Redressal of Investor Grievances

Bidders can contact the Company Secretary and Compliance Officer/the BRLMs and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, *etc.* For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs or the Registrar to the Offer, in the manner provided below.

All grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, quoting the full details such as the name and address of the sole or First Bidder, date and number of the Bid cum Application Form, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, name and address of the relevant Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Further, the Bidders shall also enclose a copy of the Acknowledgement Slip duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLMs where the Bid cum Application Form was submitted by the Anchor Investor.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall not exceed 7 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has not received any investor grievances in the three years preceding the date of filing this Prospectus

As on the date of this Prospectus, there are no investor complaints pending.

Our Company has constituted a Stakeholders Relationship Committee, comprising Renu Karnad, Deepak Parekh, P. M. Thampi, Humayun Dhanrajgir, Deepak Phatak, Rajeshwar Bajaaj, Vijay Merchant and James Baird Aird as members. For further details, please see "*Our Management*" on page 219 of this Prospectus.

Our Company has appointed Sylvia Furtado as the Company Secretary and Compliance Officer, and she may be contacted in case of any pre-Offer or post-Offer related problems. She can be contacted at the following address:

Company Secretary and Compliance Officer

Sylvia Furtado
HDFC Asset Management Company Limited
HDFC House,
2^{nd} Floor, H.T. Parekh Marg,
165-166, Backbay Reclamation,
Churchgate,
Mumbai 400 020,
Maharashtra, India.
Telephone: +91 (22) 6631 6333
Facsimile: +91 (22) 6658 0203
Email: shareholders.relations@hdfcfund.com

Investor grievance mechanism and investor complaints for the listed companies (whose equity shares are listed on stock exchanges) under the same management within the meaning of the erstwhile Section 370 (1B) of the Companies Act, 1956

There are no listed companies under the same management as our Company within the meaning of the erstwhile Section 370(1B) of the Companies Act, 1956.

Change in Statutory Auditors

Except as provided below, there has been no change in the Statutory Auditor of our Company during the three years preceding the date of this Prospectus.

Name of auditor	Date of change	Reason
Haribhakti & Co, LLP, Chartered Accountants	May 26, 2017	Completion of tenure
B S R & Co. LLP, Chartered Accountants	May 26, 2017	Appointment

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years preceding the date of this Prospectus.

Revaluation of Assets

Our Company has not revalued its assets at any time during the last five years preceding the date of this Prospectus.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered pursuant to the Offer shall be subject to the provisions of the Companies Act, the ICDR Regulations, the SEBI Mutual Fund Regulations, the SCRA read with the SCRR, our Memorandum and Articles of Association, the terms of the Red Herring Prospectus, this Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to applicable laws, rules, guidelines, rules, notifications and regulations relating to the issue and transfer of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchanges, RBI, RoC, and/or other authorities, as in force on the date of the Offer and to the extent applicable, or such other conditions as may be prescribed by SEBI, RBI and/or any other regulatory authority while granting its approval for the Offer.

Offer for sale

All expenses with respect to the Offer will be borne by the Promoter Selling Shareholders in the manner mutually agreed upon amongst them. Payments, if any, made by our Company in relation to the Offer, shall be on behalf of the Promoter Selling Shareholders and such payments will be reimbursed by the Promoter Selling Shareholders to our Company in the manner mutually agreed upon amongst them.

Ranking of Equity Shares

The Equity Shares being offered and transferred pursuant to the Offer shall be subject to the provisions of our Memorandum and Articles of Association and the Companies Act and shall rank *pari passu* in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares pursuant to the Offer, will be entitled to dividends and / or any other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see "*Dividend Policy*" and "*Main Provisions of our Articles of Association*" on pages 261 and 477, respectively of this Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividend, if declared, to the shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles of Association and provisions of the Listing Regulations. For further details, please see "*Dividend Policy*" and "*Main Provisions of our Articles of Association*" on pages 261 and 477, respectively, of this Prospectus.

Face value and Offer Price

The face value of each Equity Share is ₹5 and the Offer Price is ₹ 1,100 per Equity Share. The Anchor Investor Offer Price is ₹ 1,100 per Equity Share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Compliance with SEBI Mutual Fund Regulations

Change in controlling interest of an asset management company

Under the SEBI Mutual Fund Regulations, no change in the controlling interest of an asset management company can be made unless, (a) prior written approval of the trustees and SEBI is obtained, (b) a written communication about the proposed change is sent to each unitholder of the schemes of the mutual fund and an advertisement is given in one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the head office of the mutual fund is situated, and (c) the unitholders of the schemes of the mutual fund are given an option to exit from their schemes on the prevailing net asset value without any exit load.

The SEBI Mutual Fund Regulations defines "control" to mean, (i) in the case of a company any person or combination of persons who directly or indirectly own, control or hold shares carrying not less than 10% of the voting rights of such company; or (ii) as between two companies, if the same person or combination of persons directly or indirectly, own, control or hold shares carrying not less than 10% of the voting rights of each of the two companies; or (iii) majority of the directors of any company who are in a position to exercise control over the asset management company;

Accordingly, in case of Bids for such number of Equity Shares, which may result in the shareholding of a Bidder (either directly or indirectly, by himself or acting in concert with other persons and including existing shareholding, if any) representing 10% or more of the post-Offer paid-up Equity Share capital of the Company, such allotment to the Bidder would be subject to the Company obtaining prior approval of the trustees of HDFC Mutual Fund and SEBI, as well as completion by the Company of the procedures stated above with respect to providing written communication to unitholders of the schemes of HDFC Mutual Fund, publishing advertisements in newspapers, and providing an exit option to unitholders of the schemes of HDFC Mutual Fund. Further, all Allotments to such Bidders shall be in accordance with, and subject to, the conditions contained in such SEBI approval.

The Basis of Allotment is expected to be finalised on or around August 1, 2018. In case of any failure by the Company to obtain such requisite approvals or complete other procedural requirements within the above time period, the Company may Allot the maximum number of Equity Shares, as adjusted for the Bid Lot (and in case of over-subscription in the Offer, after making applicable proportionate allocation for the Equity Shares Bid for), that will limit the aggregate shareholding of the Bidder (either directly or indirectly, by itself or acting in concert with other persons and including existing shareholding, if any) to below 10% of the post-Offer paid-up Equity Share capital of the Company.

Please note that the Company, the BRLMs and the Registrar will rely strictly and solely on the SEBI approvals received by the Company for making any Allotments to any Bidders together with persons acting in concert for 10% or more of the post-Offer paid up Equity Share capital of the Company. The Company, the Registrar and the BRLMs will not exercise any discretion or judgment in identifying the group of any Bidder and will not be responsible, directly or indirectly, for the consequences of any Bidder and persons acting in concert with such Bidder, acquiring any Equity Shares representing 10% or more of the post-Offer paid-up Equity Share capital of the Company, without a valid and subsisting SEBI and other approvals set out above.

In terms of the SEBI Mutual Fund Regulations, no sponsor of a mutual fund, its associate or group company including the asset management company of the mutual fund, through the schemes of the mutual fund or otherwise, individually or collectively, directly or indirectly, shall have (a) 10% or more of the shareholding or voting rights in the asset management company or the trustee company of any other mutual fund; or (b) representation on the board of directors of the asset management company or the trustee company of any other mutual fund.

Accordingly, no person who is a sponsor of any other mutual fund in India (not being HDFC Mutual Fund), its associate or group company, or the asset management company and/or a scheme of such mutual fund, shall make

Bids for such number of Equity Shares which may result such person(s), individually or collectively, directly or indirectly, holding 10% or more of the shareholding or voting rights in our Company.

Further, in terms of the SEBI Mutual Fund Regulations, any shareholder holding 10% or more of the shareholding or voting rights in an asset management company or the trustee company of a mutual fund shall not have, directly or indirectly, (a) 10% or more of the shareholding or voting rights in the asset management company or the trustee company of any other mutual fund; or (b) representation on the board of directors of the asset management company or the trustee company of any other mutual fund.

Accordingly, no person holding 10% or more of the shareholding or voting rights in an asset management company or the trustee company of any other mutual fund in India (not being HDFC Mutual Fund), shall make Bids for such number of Equity Shares which may result such person, directly or indirectly, holding 10% or more of the shareholding or voting rights in our Company.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles of Association, the equity shareholders of our Company shall have the following rights:

- right to receive dividend, if declared;
- right to attend general meetings and exercise voting powers, unless prohibited by law;
- right to vote on a poll either in person or by proxy or 'e-voting' in accordance with the provisions of the Companies Act;
- right to receive offers for purchasing rights shares and be allotted bonus shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claims being satisfied;
- right of free transferability of Equity Shares, subject to applicable law including any rules and regulations prescribed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the Listing Regulations, and our Memorandum and Articles of Association.

For further details on the main provisions of our Company's Articles of Association including those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please see "*Main Provisions of our Articles of Association*" on page 477 of this Prospectus.

Market lot and trading lot

Since trading of our Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be done only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 13 Equity Shares to successful Bidders.

Nomination facility to the Bidder

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office and Corporate Office or to the Registrar and Share Transfer Agent of our Company.

Further, any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised 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 a change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholders, severally and not jointly, in consultation with the BRLMs, reserve the right not to proceed with the Offer, in whole or any part thereof, after the Offer Opening Date but before the Allotment. In the event that our Company and the Promoter Selling Shareholders in consultation with the BRLMs, decide not to proceed with the Offer at all, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for such a decision. In such event the BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

If our Company and /or the Promoter Selling Shareholders withdraw the Offer after the Offer Closing Date and thereafter determine that they will proceed with a fresh issue or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of this Prospectus after it is filed with the RoC.

Offer Programme

OFFER OPENED ON	**July 25, 2018**[(1)]
OFFER CLOSED ON	**July 27, 2018**

[(1)]Anchor Investor Bidding Date was July 24, 2018

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Offer Closing Date	July 27, 2018
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about August 1, 2018
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Accounts	On or about August 2, 2018

Event	Indicative Date
Credit of Equity Shares to demat accounts of Allottees	On or about August 3, 2018
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about August 6, 2018

The above timetable, other than the Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Promoter Selling Shareholders or the BRLMs. While our Company and the Promoter Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days from the Offer Closing Date, the timetable may be extended due to various factors, such as any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoter Selling Shareholders confirm that they shall extend reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by each Promoter Selling Shareholder in the Offer) at all Stock Exchanges within six Working Days from the Offer Closing Date.

Bids (other than Bids from Anchor Investors):

Offer Period (except the Offer Closing Date)	
Submission and revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Offer Closing Date	
Submission and revision in Bids	Only between 10.00 a.m. and 3.00 p.m. (IST)

On the Offer Closing Date, the Bids were uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors, Eligible HDFC AMC Employees Bidding in the HDFC AMC Employee Reservation Portion, Eligible HDFC Employees Bidding in the HDFC Employee Reservation Portion and Eligible HDFC Shareholders Bidding in the HDFC Shareholders Reservation Portion.

On the Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors, Eligible HDFC AMC Employees Bidding in the HDFC AMC Employee Reservation Portion, Eligible HDFC Employees Bidding in the HDFC Employee Reservation Portion and Eligible HDFC Shareholders Bidding in the HDFC Shareholders Reservation Portion, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of the time available for uploading the Bids on the Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Offer Closing Date and, in any case, no later than 3.00 p.m. IST on the Offer Closing Date. Bidders were cautioned that, in the event a large number of Bids are received on the Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids were not uploaded and have not been considered for allocation under the Offer. Bids will be accepted only on business days i.e. Monday to Friday (excluding any public/ bank holiday). Our Company, or any of the Promoter Selling Shareholders or the members of the Syndicate are not liable for any failure in uploading Bids due to faults in any software/hardware system or otherwise. Any time mentioned in the Red Herring Prospectus and this Prospectus is Indian Standard Time.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder, the details of the Bid file received from Stock Exchanges may be taken as final data for the purposes of Allotment.

Minimum subscription

The requirements for minimum subscription are not applicable in case of the Offer. However, if our Company does not comply with the minimum Allotment requirements as specified under Rule 19(2)(b)(iii) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Offer Closing Date, our Company and the Promoter Selling Shareholders shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Promoter Selling Shareholders shall pay the requisite interest as prescribed under applicable law.

Further, our Company and the Promoter Selling Shareholders shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 26(4) of the SEBI Regulations and subject to the provisions of the Depositories Regulations.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only, the market lot for our Equity Shares will be one and therefore no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for (i) the lock-in of the pre-Offer Equity Shares, (ii) the minimum Promoters' contribution, (iii) Anchor Investor lock-in, pursuant to the Offer, and (iv) as provided in "*Main Provisions of our Articles of Association*" on page 477 of this Prospectus, there are no restrictions on transfers of Equity Shares. Further, there are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles of Association. For details, please see "*Main Provisions of our Articles of Association*" on page 477 of this Prospectus.

Option to receive Equity Shares in Dematerialised Form

In terms of Section 29 of the Companies Act, 2013, the Allotment of Equity Shares to successful Bidders will only be in the dematerialised form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialised segment of the Stock Exchanges. In this context, the following agreements have been signed by our Company:

- Agreement dated March 8, 2018 entered into between NSDL, our Company and the Registrar to the Offer; and

- Agreement dated February 24, 2018 entered into between CDSL, our Company and the Registrar to the Offer.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India, the FDI Policy, FEMA and circulars and notifications issued thereunder. FEMA regulates the manner in which foreign investment may be made. The consolidated FDI policy circular of 2017, dated August 28, 2017 issued by the DIPP ("**FDI Policy**") consolidates the policy framework which was in force as on August 28, 2017. Further, the FDI Policy consolidates, subsumes and supersedes all the press notes, press releases, and clarifications on FDI issued by DIPP. As per the FDI Policy the cap for foreign investment in a financial services company regulated by a sectoral regulator (in our case, being SEBI), is 100% under the automatic route. However, downstream investments by a resident entity which is 'foreign-owned and controlled' within the meaning of the FDI Policy are treated as foreign investment for the purposes of the FDI Policy.

Transfer of shares between an Indian resident and a non-resident does not require the prior approval of the Government of India or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Circular and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI and the RBI. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB and accordingly, the process for FDI and its approval from the Government of India will now be handled by the relevant ministries or departments, in consultation with the DIPP.

As per existing regulations, OCBs cannot participate in the Offer.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 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 U.S. Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") and referred to in this Prospectus as "U.S. QIBs" and for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as "QIBs") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, that are also "qualified purchasers" (as defined under the U.S. Investment Company Act) in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the BRLMs are not liable for any amendments, modification, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for which do not exceed the applicable limits under laws and regulations.

OFFER STRUCTURE

Initial public offering of 25,457,555 (subject to finalisation of Basis of Allotment) Equity Shares for cash at a price of ₹ 1,100 per Equity Share, aggregating to ₹ 28,003.31 million through an offer for sale of to 8,592,970 (subject to finalisation of Basis of Allotment) Equity Shares by HDFC and up to 16,864,585 Equity Shares by Standard Life Investments. The Offer ,subject to finalisation of Basis of Allotment, includes a reservation of up to 320,000 Equity Shares for purchase by the Eligible HDFC AMC Employees for cash at a price of ₹ 1,100 per Equity Share, aggregating to ₹ 352.00 million, a reservation of up to 560,000 Equity Shares for purchase by the Eligible HDFC Employees for cash at a price of ₹ 1,100 per Equity Share, aggregating up to ₹ 616.00 million and a reservation of 2,400,000 Equity Shares for purchase by Eligible HDFC Shareholders, for cash at a price of ₹ 1,100 per Equity Share, aggregating to ₹ 2,640.00 million. The Offer and the Net Offer shall constitute 12.01 % and 10.46% of the post-Offer paid-up Equity Share capital of our Company, respectively.
^Subject to finalisation of Basis of Allotment

The Offer is being made through the Book Building Process.

Particulars	**QIBs[#]**	**Non-Institutional Investors**	**Retail Individual Investors**	**Eligible HDFC AMC Employees**	**Eligible HDFC Employees**	**Eligible HDFC Shareholders**
Number of Equity Shares available for Allotment/allocation(1)# #	11,088,776 Equity Shares	3,326,634 Equity Shares or Offer less allocation to QIB Bidders and Retail Individual Bidders were available for allocation	7,762,145 Equity Shares or Offer less allocation to QIB Bidders and Non Institutional Investors were available for allocation	320,000 Equity Shares	560,000 Equity Shares	2,400,000 Equity Shares
Percentage of Offer size available for Allotment/ allocation	50% of the Offer. However, 5% of the QIB Portion (other than Anchor Investor Portion) was available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion were also be eligible for allocation in the remaining QIB Portion (other than Anchor Investor Portion). Unsubscribed portion in the Mutual Fund reservation	Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders was available for allocation	Not less than 35% of the Offer or Offer less allocation to QIB Bidders and Non Institutional Investors was available for allocation	Up to 1.26% of the Offer size	Up to 2.20% of the Offer size	Up to 9.43% of the Offer size

Particulars	**QIBs#**	**Non-Institutional Investors**	**Retail Individual Investors**	**Eligible HDFC AMC Employees**	**Eligible HDFC Employees**	**Eligible HDFC Shareholders**
	would be added to the QIB Portion (other than Anchor Investor Portion)					
Basis of allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) 221,776 Equity Shares were available for allocation on a proportionate basis to Mutual Funds only; and (b) 4,213,735 Equity Shares were available for allocation on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. 6,653,265 Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate.	The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure – Part B – Section 7.1: Allotment Procedure and Basis of Allotment – Allotment to RIBs*" on page 463 of this Prospectus.	The allotment to each Eligible HDFC AMC Employee shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the HDFC AMC Employee Reservation Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "Offer Procedure – Part B – Section 7.7: Allotment under the HDFC AMC Employee Reservation Portion" on page 467 of this Prospectus.	The allotment to each Eligible HDFC Employee shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the HDFC Employee Reservation Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "Offer Procedure – Part B – Section 7.8: Allotment under the HDFC Employee Reservation Portion" on page 467 of this Prospectus.	The allotment to each Eligible HDFC Shareholder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the HDFC Shareholders Reservation Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "Offer Procedure – Part B – Section 7.9: Allotment under the HDFC Shareholders Reservation Portion" on page 467 of this Prospectus.
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of 13 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹ 200,000 and in multiples of 13 Equity Shares thereafter.	13 Equity Shares and in multiples of 13 Equity Shares thereafter.	13 Equity Shares and in multiples of 13 Equity Shares thereafter.	13 Equity Shares and in multiples of 13 Equity Shares thereafter	13 Equity Shares and in multiples of 13 Equity Shares thereafter.
Maximum Bid	Such number of Equity	Such number of Equity	Such number of Equity	Such number of Equity	Such number of Equity	Such number of Equity

Particulars	QIBs[#]	Non-Institutional Investors	Retail Individual Investors	Eligible HDFC AMC Employees	Eligible HDFC Employees	Eligible HDFC Shareholders
	Shares not exceeding the Offer subject to applicable limits to the Bidder.	Shares not exceeding the Offer subject to applicable limits to the Bidder.	Shares such that the Bid Amount does not exceed ₹ 200,000.	Shares and in multiples of 13 Equity Shares, so that the Bid Amount does not exceed ₹ 500,000. However, Allotment to Eligible HDFC AMC Employees in the HDFC AMC Employee Reservation Portion may exceed ₹ 200,000 only in the event of an under subscription in the HDFC AMC Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible HDFC AMC Employees Bidding in the HDFC AMC Employee Reservation Portion for a value in excess of ₹ 200,000, subject to the total Allotment to such Eligible HDFC AMC Employee not exceeding ₹ 500,000.	Shares and in multiples of 13 Equity Shares, so that the Bid Amount does not exceed ₹ 500,000. However, Allotment to Eligible HDFC Employees in the HDFC Employee Reservation Portion may exceed ₹ 200,000 only in the event of an under subscription in the HDFC Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible HDFC Employees Bidding in the HDFC Employee Reservation Portion for a value in excess of ₹ 200,000, subject to the total Allotment to such Eligible HDFC Employee not exceeding ₹ 500,000.	Shares and in multiples of 13 Equity Shares, such that the Bid Amount does not exceed ₹ 200,000
Mode of Bidding	Through ASBA process, except for	Through ASBA process only	Through ASBA process only	Through ASBA process only	Through ASBA process only	Through ASBA process only

Particulars	**QIBs#**	**Non-Institutional Investors**	**Retail Individual Investors**	**Eligible HDFC AMC Employees**	**Eligible HDFC Employees**	**Eligible HDFC Shareholders**
	Anchor Investors					
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid lot	13 Equity Shares and in multiples of 13 Equity Shares thereafter.	13 Equity Shares and in multiples of 13 Equity Shares thereafter.	13 Equity Shares and in multiples of 13 Equity Shares thereafter.	13 Equity Shares and in multiples of 13 Equity Shares thereafter	13 Equity Shares and in multiples of 13 Equity Shares thereafter	13 Equity Shares and in multiples of 13 Equity Shares thereafter
Allotment Lot	A minimum of 13 Equity Shares and thereafter in multiples of one Equity Share.	A minimum of 13 Equity Shares and thereafter in multiples of one Equity Share.	A minimum of 13 Equity Shares and thereafter in multiples of one Equity Share.	A minimum of 13 Equity Shares and thereafter in multiples of one Equity Share.	A minimum of 13 Equity Shares and thereafter in multiples of one Equity Share.	A minimum of 13 Equity Shares and thereafter in multiples of one Equity Share.
Trading lot	One Equity Share.	One Equity Share.	One Equity Share.	One Equity Share.	One Equity Share.	One Equity Share.
Who can apply++	Public financial institutions specified in Section 2(72) of the Companies Act, 2013, FPIs (other than Category III Foreign Portfolio Investors), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance	Resident Indian individuals, Eligible NRIs, HUF (in the name of *Karta*), companies, corporate bodies, scientific institutions societies and trusts, Category III Foreign Portfolio Investors	Resident Indian Individuals, Eligible NRIs and HUF (in the name of *Karta*).	Eligible HDFC AMC Employees.	Eligible HDFC Employees.	Eligible HDFC Shareholders.

Particulars	QIBs#	Non-Institutional Investors	Retail Individual Investors	Eligible HDFC AMC Employees	Eligible HDFC Employees	Eligible HDFC Shareholders
	Regulatory and Development Authority, provident funds with a minimum corpus of ₹ 250 million, pension funds with a minimum corpus of ₹ 250 million, the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and SI NBFCs.					
Terms of Payment@	The entire Bid Amount has been blocked in the ASBA Account by the SCSBs at the time of submission of Bid cum Application Form (excluding for Anchor Investors)*. For Anchor Investors, the entire Bid Amount shall be payable at	The entire Bid Amount has been blocked in the ASBA Account by the SCSBs at the time of submission of Bid cum Application Form.	The entire Bid Amount has been blocked in the ASBA Account by the SCSBs at the time of submission of Bid cum Application Form.	The entire Bid Amount has been blocked in the ASBA Account by the SCSBs at the time of submission of Bid cum Application Form.	The entire Bid Amount has been blocked in the ASBA Account by the SCSBs at the time of submission of Bid cum Application Form.	The entire Bid Amount has been blocked in the ASBA Account by the SCSBs at the time of submission of Bid cum Application Form.

Particulars	QIBs#	Non-Institutional Investors	Retail Individual Investors	Eligible HDFC AMC Employees	Eligible HDFC Employees	Eligible HDFC Shareholders
	the time of submission of Bid cum Application Form*.					

(1) Subject to finalisation of Basis of Allotment
 # Our Company and the Promoter Selling Shareholders have, in consultation with the BRLMs, allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, please see "Offer Procedure" on page 424 of this Prospectus.

Subject to valid Bids received at or above the Offer Price.

@ In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the Bid cum Application Form.

** Any balance amount payable by the Anchor Investors, due to a difference between the Anchor Investor Offer Price and the Bid Amount paid by the Anchor Investors, shall be payable by the Anchor Investors within two Working Days of the Offer Closing Date.*

++ In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder was deemed to have signed on behalf of the joint holders. Bid Amount was payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms.

The Offer is being made through the Book Building Process, pursuant to Regulation 26(1) of the ICDR Regulations, wherein not more than 50% of the Net Offer was available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIB**"). 5% of the QIB Portion (other than Anchor Investor Portion) was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (other than Anchor Investor Portion) was available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer was available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer was be available for allocation to Retail Individual Investors, in accordance with the ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other categories or contribution of categories at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 and CIR/CFD/POLICYCELL/11/2015 notified by SEBI (the "General Information Document") read with SEBI circular bearing number CIR/CFD/POLICYCELL/11/ 2015 dated November 10, 2015 and SEBI circular bearing number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 included below under the section "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general and in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the ICDR Regulations. The General Information Document has been updated to reflect amendments to the ICDR Regulations and provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.*

Our Company, the Promoter Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Red Herring Prospectus and this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus..

PART A

Book Building Procedure

The Offer is being made through the Book Building Process, in reliance on Regulation 26(1) of the ICDR Regulations, wherein not more than 50% of the Net Offer was available for allocation on a proportionate basis to QIBs. Provided that our Company and the Promoter Selling Shareholders in consultation with the BRLMs, has allocated up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the ICDR Regulations, of which one-third was reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the QIB Portion (excluding the Anchor Investor Portion) was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion (other than Anchor Investor Portion) was available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids received at or above the Offer Price. Further, not less than 15% of the Net Offer was available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer will be available for allocation on a proportionate basis to Retail Individual Investors, in accordance with the ICDR Regulations, subject to valid Bids received at or above the Offer Price.

The unsubscribed portion, if any, in HDFC AMC Employee Reservation Portion, the HDFC Employee Reservation Portion and the HDFC Shareholders Reservation Portion shall first be adjusted amongst these categories and any unsubscribed portion thereafter in aggregate shall be added back to the Net Offer. Under-subscription, if any, in any category, including the HDFC AMC Employee Reservation Portion, the HDFC Employee Reservation Portion and the HDFC Shareholders Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Promoter Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, will be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Please note that all the Bidders (other than Anchor Investors) shall mandatorily apply in the Offer through ASBA process only.

Copies of the ASBA Forms and the abridged prospectus were available with the Designated Intermediaries at the Bidding Centres and the Registered Office. An electronic copy of the ASBA Form were available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Offer Opening Date. Copies of the Anchor Investor Form and abridged prospectus were available at the offices of the BRLMs. Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Bidders were required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the concerned Designated Intermediary, submitted at the Bidding centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form[1]
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non residents including Eligible NRIs, FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors[2]	White
Eligible HDFC AMC Employees	Pink
Eligible HDFC Employees	Pink
Eligible HDFC Shareholders	Green

(1) *Excluding electronic Bid cum Application Form*
(2) *Anchor Investor Forms were available at the offices of the BRLMs*

Designated Intermediaries (other than SCSBs), shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 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 U.S. Securities Act ("**U.S. Persons**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**") and referred to in this Prospectus as "U.S. QIBs" and for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as "**QIBs**") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, that are also "qualified purchasers" (as defined under the U.S. Investment Company Act) in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Compliance with SEBI Mutual Fund Regulations

Change in controlling interest of an asset management company

Under the SEBI Mutual Fund Regulations, no change in the controlling interest of an asset management company can be made unless, (a) prior written approval of the trustees and SEBI is obtained, (b) a written communication about the proposed change is sent to each unitholder of the schemes of the mutual fund and an advertisement is given in one English daily newspaper having nationwide circulation and in a newspaper published in the language of the region where the head office of the mutual fund is situated, and (c) the unitholders of the schemes of the mutual fund are given an option to exit from their schemes on the prevailing net asset value without any exit load.

The SEBI Mutual Fund Regulations defines "control" to mean, (i) in the case of a company any person or combination of persons who directly or indirectly own, control or hold shares carrying not less than 10% of the voting rights of such company; or (ii) as between two companies, if the same person or combination of persons directly or indirectly, own, control or hold shares carrying not less than 10% of the voting rights of each of the two companies; or (iii) majority of the directors of any company who are in a position to exercise control over the asset management company;

Accordingly, in case of Bids for such number of Equity Shares, which may result in the shareholding of a Bidder (either directly or indirectly, by himself or acting in concert with other persons and including existing shareholding, if any) representing 10% or more of the post-Offer paid-up Equity Share capital of the Company, such allotment to the Bidder would be subject to the Company obtaining prior approval of the trustees of HDFC Mutual Fund and SEBI, as well as completion by the Company of the procedures stated above with respect to providing written communication to unitholders of the schemes of HDFC Mutual Fund, publishing advertisements in newspapers, and providing an exit option to unitholders of the schemes of HDFC Mutual Fund. Further, all Allotments to such Bidders shall be in accordance with, and subject to, the conditions contained in such SEBI approval.

The Basis of Allotment is expected to be finalised on or around August 1, 2018. In case of any failure by the Company to obtain such requisite approvals or complete other procedural requirements within the above time period, the Company may Allot the maximum number of Equity Shares, as adjusted for the Bid Lot (and in case of over-subscription in the Offer, after making applicable proportionate allocation for the Equity Shares Bid for), that will limit the aggregate shareholding of the Bidder (either directly or indirectly, by itself or acting in concert with other persons and including existing shareholding, if any) to below 10% of the post-Offer paid-up Equity Share capital of the Company.

Please note that the Company, the BRLMs and the Registrar will rely strictly and solely on the SEBI approvals received by the Company for making any Allotments to any Bidders together with persons acting in concert for 10% or more of the post-Offer paid up Equity Share capital of the Company. The Company, the Registrar and the BRLMs will not exercise any discretion or judgment in identifying the group of any Bidder and will not be responsible, directly or indirectly, for the consequences of any Bidder and persons acting in concert with such Bidder, acquiring any Equity Shares representing 10% or more of the post-Offer paid-up Equity Share capital of the Company, without a valid and subsisting SEBI and other approvals set out above.

In terms of the SEBI Mutual Fund Regulations, no sponsor of a mutual fund, its associate or group company including the asset management company of the mutual fund, through the schemes of the mutual fund or otherwise, individually or collectively, directly or indirectly, shall have (a) 10% or more of the shareholding or voting rights in the asset management company or the trustee company of any other mutual fund; or (b) representation on the board of directors of the asset management company or the trustee company of any other mutual fund.

Accordingly, no person who is a sponsor of any other mutual fund in India (not being HDFC Mutual Fund), its associate or group company, or the asset management company and/or a scheme of such mutual fund, shall make Bids for such number of Equity Shares which may result such person(s), individually or collectively, directly or indirectly, holding 10% or more of the shareholding or voting rights in our Company.

Further, in terms of the SEBI Mutual Fund Regulations, any shareholder holding 10% or more of the shareholding or voting rights in an asset management company or the trustee company of a mutual fund shall not have, directly or indirectly, (a) 10% or more of the shareholding or voting rights in the asset management company or the trustee company of any other mutual fund; or (b) representation on the board of directors of the asset management company or the trustee company of any other mutual fund.

Accordingly, no person holding 10% or more of the shareholding or voting rights in an asset management company or the trustee company of any other mutual fund in India (not being HDFC Mutual Fund), shall make Bids for such number of Equity Shares which may result such person, directly or indirectly, holding 10% or more of the shareholding or voting rights in our Company.

Who can Bid?

In addition to the category of Bidders set forth under the section "***General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue***" on page 442 of this Prospectus, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Scientific research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in this Offer under the laws, rules, regulations, guidelines and policies applicable to them.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, 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 U.S. Securities Act ("U.S. Persons") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Company has not registered and does not intend to register under the U.S. Investment Company Act in reliance upon section 3(c)(7) thereof. Accordingly, the Equity Shares are only being offered and sold (i) to persons in the United States or to, or for the account or benefit of, U.S. Persons in each case that are both "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A") and referred to in this Prospectus as "U.S. QIBs" and for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Prospectus as "QIBs") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, that are also "qualified purchasers" (as defined under the U.S. Investment Company Act) in reliance upon section 3(c)(7) of the U.S. Investment Company Act and (ii) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members were not allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may have purchased Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of Bidders, including associates or affiliates of the BRLMs and Syndicate Members, will be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than the mutual funds sponsored by entities related to the BRLMs) could apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of our Company's paid-up share capital carrying voting rights.

The Schemes of HDFC Mutual Fund will not apply for Equity Shares in this Offer.

Bids by sponsors of a Mutual Fund, its associate or group company including the asset management company of the mutual fund

In terms of the SEBI Mutual Fund Regulations, no sponsor of a mutual fund, its associate or group company including the asset management company of the mutual fund, through the schemes of the mutual fund or otherwise, individually or collectively, directly or indirectly, shall have (a) 10% or more of the shareholding or voting rights in the asset management company or the trustee company of any other mutual fund; or (b) representation on the board of directors of the asset management company or the trustee company of any other mutual fund.

Accordingly, no person who is a sponsor of any other mutual fund in India (not being HDFC Mutual Fund), its associate or group company, or the asset management company and/or a scheme of such mutual fund, shall make Bids for such number of Equity Shares which may result such person(s), individually or collectively, directly or indirectly, holding 10% or more of the shareholding or voting rights in our Company.

Bids by a shareholder holding 10% or more of the shareholding or voting rights in an asset management company (not being our Company) or the trustee company of a mutual fund (not being HDFC Mutual Fund)

In terms of the SEBI Mutual Fund Regulations, any shareholder holding 10% or more of the shareholding or voting rights in an asset management company or the trustee company of a mutual fund shall not have, directly or indirectly, (a) 10% or more of the shareholding or voting rights in the asset management company or the trustee company of any other mutual fund; or (b) representation on the board of directors of the asset management company or the trustee company of any other mutual fund.

Accordingly, no person holding 10% or more of the shareholding or voting rights in an asset management company or the trustee company of any other mutual fund in India (not being HDFC Mutual Fund), shall make Bids for such number of Equity Shares which may result such person, directly or indirectly, holding 10% or more of the shareholding or voting rights in our Company.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis should authorise their SCSBs to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, and eligible NRI Bidders bidding on a non-repatriation basis should authorise their SCSBs to block their Non-Resident Ordinary ("**NRO**") accounts the full Bid amount, at the time of submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or to an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits of FPIs in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investors and unregulated broad based funds, which are classified as Category II foreign portfolio investors by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India or unlisted debt securities or securitised debt instruments, as its underlying assets) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it subject to the following conditions: (i) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and (ii) prior consent of the foreign portfolio investor is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the foreign portfolio investor.

Bids by SEBI registered VCFs, AIFs and FVCIs

The FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offer of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Promoter Selling Shareholders reserve the right to reject any Bid by a banking company without assigning any reason thereof.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

Bids by insurance companies

In case of Bids by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to reject any Bid without assigning any reason for the same.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "IRDAI Investment Regulations") are set forth below:

(i) equity shares of a company: the lower of 10% of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer/ investment assets in case of a general insurer or a reinsurer;
(ii) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
(iii) the industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or general insurance or 15% of the investment assets, whichever is lower.

    The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. Such SCSBs are required to ensure that for making applications on their own account, using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such application.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, Government of India, SI NBFCs or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/ or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Promoter Selling Shareholders, in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form.

Bids by Eligible HDFC AMC Employees

The Bid must be for a minimum of 13 Equity Shares and in multiples of 13 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible HDFC AMC Employee does not exceed ₹ 500,000. Allotment in the HDFC AMC Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 418 of this Prospectus. For further details see, "Offer Procedure – Part B – Section 7.7: Allotment under the HDFC AMC Employee Reservation Portion" on page 467 of this Prospectus. However, Allotments to Eligible HDFC AMC Employees in excess of ₹ 200,000 up to ₹ 500,000 shall be considered on a proportionate basis, in the event of under subscription in the HDFC AMC Employee Reservation Portion. Subsequent under subscription, if any, in the HDFC AMC Employee Reservation Portion shall first be adjusted between the HDFC Employee Reservation Portion and the HDFC Shareholders Reservation Portion and any unsubscribed portion thereafter in aggregate shall be added back to the Net Offer. Eligible HDFC AMC Employees Bidding under the HDFC AMC Employee Reservation Portion may Bid at Cut-off Price.

Bids under the HDFC AMC Employee Reservation Portion by Eligible HDFC AMC Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form.
- Only Eligible HDFC AMC Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the HDFC AMC Employee Reservation Portion.
- In case of joint bids, the sole/ First Bidder shall be the Eligible HDFC AMC Employee.
- Bids by Eligible HDFC AMC Employees may be made at Cut-off Price.

- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this portion.

- The Bids must be for a minimum of 13 Equity Shares and in multiples of 13 Equity Shares thereafter.

- Bids by Eligible HDFC AMC Employees in the HDFC AMC Employee Reservation Portion, in the HDFC Shareholders Reservation Portion and in the Retail Portion shall not be treated as multiple Bids. However, Bids by Eligible HDFC AMC Employees in the HDFC AMC Employee Reservation Portion, in the HDFC Shareholders Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids. Persons who are Eligible HDFC AMC Employees may Bid in the HDFC AMC Employee Reservation and/or the HDFC Shareholders Reservation Portion and such Bids shall not be treated as multiple Bids. Our Company and the Promoter Selling Shareholders reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all portions. For further details, see "*Offer Procedure – Multiple Bids*" on page 450 of this Prospectus.

- If the aggregate demand in this portion is less than or equal to 320,000 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible HDFC AMC Employees to the extent of their demand.

- Under-subscription, if any, in any portion, (including the HDFC AMC Employee Reservation Portion, the HDFC Employee Reservation Portion and the HDFC Shareholders Reservation Portion), except in the QIB Portion, would be allowed to be met with spill-over from any other portion or a combination of portions at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.

If the aggregate demand in this portion is greater than 320,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure – Allotment Procedure and Basis of Allotment*" on page 464 of this Prospectus.

Bids by Eligible HDFC Employees

The Bid must be for a minimum of 13 Equity Shares and in multiples of 13 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible HDFC Employee does not exceed ₹ 500,000. Allotment in the HDFC Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 418 of this Prospectus. For further details see, "*Offer Procedure ‑ Part B ‑ Section 7.8: Allotment under the HDFC Employee Reservation Portion*" on page 467 of this Prospectus. However, Allotments to Eligible HDFC Employees in excess of ₹ 200,000 up to ₹ 500,000 shall be considered on a proportionate basis, in the event of under subscription in the HDFC Employee Reservation Portion. Subsequent under subscription, if any, in the HDFC Employee Reservation Portion shall first be adjusted between the HDFC AMC Employee Reservation Portion and the HDFC Shareholders Reservation Portion and any unsubscribed portion thereafter in aggregate shall be added back to the Net Offer. Eligible HDFC Employees Bidding under the HDFC Employee Reservation Portion may Bid at Cut-off Price.

Bids under the HDFC Employee Reservation Portion by Eligible HDFC Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form.

- Only Eligible HDFC Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the HDFC Employee Reservation Portion.

- In case of joint bids, the sole/ First Bidder shall be the Eligible HDFC Employee.

- Bids by Eligible HDFC Employees may be made at Cut-off Price.

- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this portion.

- The Bids must be for a minimum of 13 Equity Shares and in multiples of 13 Equity Shares thereafter.

- Bids by Eligible HDFC Employees in the HDFC Employee Reservation Portion, in the HDFC Shareholders Reservation Portion and in the Retail Portion shall not be treated as multiple Bids. However, Bids by Eligible HDFC Employees in the HDFC Employee Reservation Portion, in the HDFC Shareholders Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids. Persons who are Eligible HDFC Employees may Bid in the HDFC Employee Reservation Portion and/or the HDFC Shareholders Reservation Portion and such Bids shall not be treated as multiple Bids. Our Company and the Promoter Selling Shareholders reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all portions. For further details, see "*Offer Procedure – Multiple Bids*" on page 450 of this Prospectus.

- If the aggregate demand in this portion is less than or equal to 560,000 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible HDFC Employees to the extent of their demand.

- Under-subscription, if any, in any portion, (including the HDFC AMC Employee Reservation Portion, the HDFC Employee Reservation Portion and the HDFC Shareholders Reservation Portion), except in the QIB Portion, would be allowed to be met with spill-over from any other portion or a combination of portions at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.

If the aggregate demand in this portion is greater than 560,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure – Allotment Procedure and Basis of Allotment*" on page 464 of this Prospectus.

Bids by Eligible HDFC Shareholders

The Bid must be for a minimum of 13 Equity Shares and in multiples of 13 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible HDFC Shareholders does not exceed ₹ 200,000. Allotment in the HDFC Shareholders Reservation Portion will be as detailed in the section "*Offer Structure*" on page 418 of this Prospectus. For further details see, "*Offer Procedure ‑ Part B ‑ Section 7.9: Allotment under the HDFC Shareholders Reservation Portion*" on page 467 of this Prospectus. Under subscription, if any, in the HDFC Shareholders Reservation Portion shall first be adjusted between the HDFC Employee Reservation Portion and the HDFC AMC Employee Reservation Portion and any unsubscribed portion thereafter in aggregate shall be added back to the Net Offer. Eligible HDFC Shareholders Bidding under the HDFC Shareholders Reservation Portion may Bid at Cut-off Price.

Bids under the HDFC Shareholders Reservation Portion shall be subject to the following:

- Only Eligible HDFC Shareholders (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the HDFC Shareholders Reservation Portion.

- The sole/First Bidder shall be an Eligible HDFC Shareholder.

- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this category.

- The Bids must be for a minimum of 13 Equity Shares and in multiples of 13 Equity Shares thereafter, so as to ensure that the Bid Amount payable by such Eligible HDFC Shareholder does not exceed ₹ 200,000.

- Bids by Eligible HDFC Shareholders in the HDFC Shareholders Reservation Portion, in the HDFC AMC Employee Reservation Portion or in the HDFC Employee Reservation Portion and in the Retail Portion shall not be treated as multiple Bids. However, Bids by Eligible HDFC Shareholders in the HDFC Shareholders Reservation Portion, in the HDFC AMC Employee Reservation Portion or in the HDFC Employee Reservation Portion, and in the Non-Institutional Portion shall be treated as multiple Bids. Persons who are Eligible HDFC

Shareholders may Bid in the HDFC AMC Employee Reservation Portion or in the the HDFC Employee Reservation Portion, as may be applicable, and/or the HDFC Shareholders Reservation Portion and such Bids shall not be treated as multiple Bids. Our Company and the Promoter Selling Shareholders reserve the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. For further details, see "*Offer Procedure – Multiple Bids*" on page 450 of this Prospectus.

- If the aggregate demand in this category is less than or equal to 2,400,000 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible HDFC Shareholders to the extent of their demand not exceeding a maximum of ₹ 200,000.

- Under-subscription, if any, in any category, (including the HDFC AMC Employee Reservation Portion, the HDFC Employee Reservation Portion and the HDFC Shareholders Reservation Portion), except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Promoter Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.

If the aggregate demand in this category is greater than 2,400,000 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure –Allotment Procedure and Basis of Allotment*" on page 464 of this Prospectus.

The above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.

General Instructions:

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the applicable Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that the Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centres, within the prescribed time;

6. Ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

7. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

8. Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

9. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary.

10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediary. Instruct your respective banks not to release the funds blocked in the ASBA Account under the ASBA process until six Working Days from the date of closing the Bids;

11. Ensure that you Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market and persons exempt from holding PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the 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"; (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same; and (c) all other applications in which PAN is not mentioned, will be considered rejected;

13. Ensure that the Demographic Details are updated, true and correct in all respects;

14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

15. Ensure that the category and the investor status is indicated;

16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

17. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

18. Ensure that the depository account is active, the correct DP ID, the Client ID and the PAN are mentioned in the Bid cum Application Form and that the name of the Bidder, the DP ID, the Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the Designated Intermediary, as applicable, match with the name, DP ID, Client ID and PAN available in the Depository database;

19. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;

20. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;

21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and this Prospectus;

22. Ensure while bidding through a Designated Intermediary that the Bid cum Application Form is submitted to a Designated Intermediary only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries);

23. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form;

24. Ensure that you have correctly signed the authorization/undertaking box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form; and

25. Bids are on proportionate basis and have been in the names of the individuals, or in the names of Eligible NRIs, FPIs, QFIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs and QFIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not submit revised Bid at a price less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Designated Intermediary;

4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

5. For ASBA, payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted under the ASBA process;

6. Do not send Bid cum Application Forms by post; instead submit the same to a Designated Intermediary only;

7. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company, the Promoter Selling Shareholders or the Registrar to the Offer (assuming that the Registrar to the Offer is not one of the RTAs);

8. Anchor Investors should not Bid through the ASBA process;

9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

10. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Investors and Eligible HDFC Shareholders Bidding in the HDFC Shareholders Reservation Portion);

11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus and the Propectus;

12. Do not instruct your respective banks to release the funds blocked in your ASBA Account;

13. Do not submit the General Index Register number instead of the PAN;

14. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;

15. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

16. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

17. Do not submit your Bid after 3.00 pm on the Offer Closing Date;

18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the Depository);

19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;

20. Do not submit Bids to a Designated Intermediary at a location other than specified locations; and

21. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment instructions

Instructions for Anchor Investors:

(a) Anchor Investors may submit their Bids with the BRLMs.

(b) Payments should be made either by RTGS, NEFT, or cheque/demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Anchor Investor Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(c) If the cheque or demand draft accompanying the Anchor Investor Form is not made favouring the Escrow Account, the Bid is liable to be rejected.

(d) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

(e) Anchor Investors are advised to provide the number of the Anchor Investor Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

Payment into Escrow Account for Anchor Investors:

Our Company and the Promoter Selling Shareholders in consultation with the BRLMs, in their absolute discretion, decided the list of Anchor Investors to whom the CAN was sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account were drawn in favour of:

1. In case of resident Anchor Investors: **HDFC Asset Management Co Ltd Anchor R**

2. In case of Non-Resident Anchor Investors: **HDFC Asset Management Co Ltd Anchor NR**

Signing of the Underwriting Agreement and the RoC Filing

1. Our Company, the Promoter Selling Shareholders and the Underwriters entered into an Underwriting Agreement after the finalisation of the Offer Price.

2. After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then is termed as the 'Prospectus'. The Prospectus contains details of the Offer Price, the Anchor Investor Offer Price, Offer Size, and underwriting arrangements and is complete in all material respects.

Impersonation

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 to any other person in a fictitious name, shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 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.

Undertakings by our Company

Our Company undertakes that:

- if our Company and the Promoter Selling Shareholders do not proceed with the Offer after the Offer Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers in which the pre-Offer advertisement was published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

- it shall not have recourse to the proceeds of the Offer until final listing and trading approvals have been received from the Stock Exchanges;

- if our Company and the Promoter Selling Shareholders withdraw the Offer after the Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC / SEBI, in the event our Company and / or any Promoter Selling Shareholders subsequently decides to proceed with the Offer;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of Offer Closing Date;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time period prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the ICDR Regulations and applicable law for the delayed period;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- except as disclosed in this Prospectus, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus and this Prospectus are listed or until the Bid monies are refunded/ unblocked in ASBA Account on account of non-listing, under-subscription, etc.; and

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.

Undertakings by the Promoter Selling Shareholders

Each Promoter Selling Shareholder, severally and not jointly, undertakes and/or certifies the following:

- The Equity Shares offered by it in the Offer have been held by it for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus with the SEBI, and the Equity Shares proposed to be offered and sold by it are free from any lien, charge, encumbrance or contractual transfer restrictions.

- it is the legal and beneficial owner of the Equity Shares being offered by it by way of the Offer.

- it shall deposit its Equity Shares offered in the Offer in an escrow account opened with the Registrar to the Offer at least two Working Days prior to the Offer Opening Date;

- it shall not have any recourse to the proceeds of the Offer until final listing and trading approvals have been received from the Stock Exchanges;

- it shall take all steps to provide all reasonable assistance to our Company and the BRLMs, as may be required for the completion of the necessary formalities for listing and commencement of trading at the stock exchanges within six Working Days from the Offer Closing Date of the Offer, failing which it shall forthwith repay without interest all monies received from Bidders to the extent of its Offered Shares. In case of delay, interest as per applicable law shall be paid by it in proportion to the Equity Shares offered by it in the Offer;

- it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell or dispose off any of the Equity Shares held by it except the Equity Shares being offered in the Offer until such time that the lock-in remains effective save and except as may be permitted under the ICDR Regulations;

- it shall provide all reasonable assistance to our Company and the BRLMs to ensure that the Equity Shares being offered by it in the Offer, shall be transferred to the successful Bidders within the time specified under applicable law; and

- it shall give appropriate instructions for dispatch of the refund orders or Allotment Advice to successful Bidders within the time specified under applicable law.

Utilisation of Offer Proceeds

The Promoter Selling Shareholders along with our Company declare that all monies received out of the Offer shall be credited/ transferred to a separate bank account being the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

Part B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the issuer and the issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations**").

Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/ Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid cum Application Form/ and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/ or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the Issuer are available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/ Applicants please see *"Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/ FPOs

2.1 Initial public issue (IPO)

An IPO means an issue of specified securities by an unlisted Issuer to the public for subscription and may include an Issue for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is, *inter alia*, required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/ Applicants may refer to the RHP/ Prospectus.

2.2 Further public issue (FPO)

An FPO means an issue of specified securities by a listed Issuer to the public for subscription and may include

Issue for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is, *inter alia*, required to comply with the eligibility requirements in terms of Regulation 26/Regulation 27 of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/ Applicants may refer to the RHP/ Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act, the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/ Applicants may refer to the RHP/ Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/ Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue Price cannot be lesser than the face value of the securities.

Bidders/ Applicants should refer to the RHP/ Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/ Applicants) and not more than ten Working Days. Bidders/ Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/ Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, Lead Managers, and the advertisement in the newspaper(s) issued in this regard.

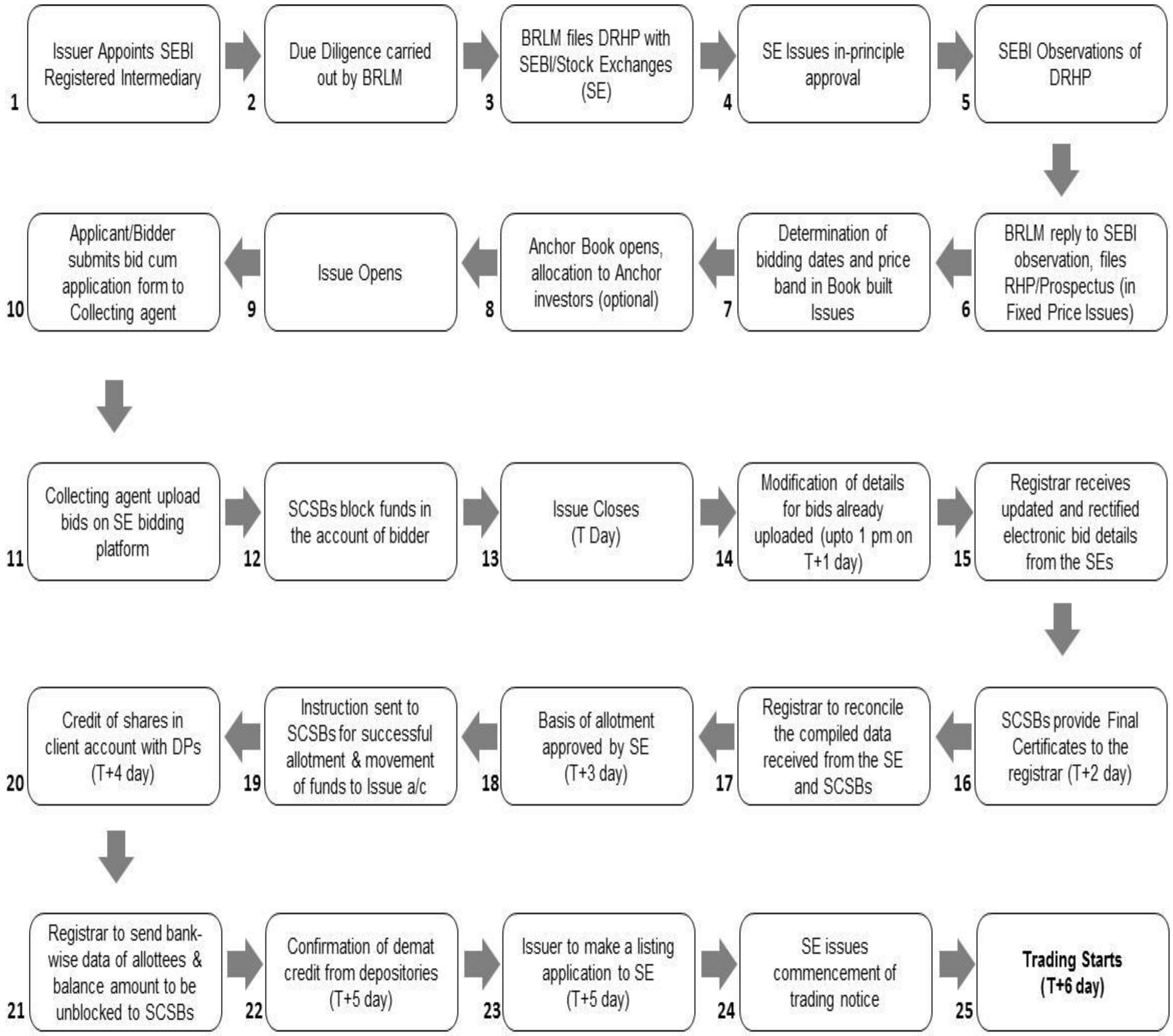
2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/ Applicants may note that this is not applicable for Fast Track FPOs.

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  (i) Step 7 : Determination of Issue Date and Price

(ii) Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the RHP/ Prospectus for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);

- Bids/ Applications belonging to an account for the benefit of a minor (under guardianship);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Bidder/ Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the

Karta". Bids/ Applications by HUFs may be considered at par with Bids/ Applications from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- Scientific organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIBs category;
- Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of any of the Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Lead Managers, the Designated Intermediaries at the Bidding Centres and at the Registered Office. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/ Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the Designated SCSB Branches of the SCSBs and at the registered office and corporate office of the Issuer. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the Prospectus.

Bidders/ Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/ Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FPIs on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders /Applicants Bidding/ applying in the Reserved Category	As specified by the Issuer

Category	Colour of the Bid cum Application Form

Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act, 2013. Bidders/ Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM

Bidders/ Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form–for residents

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					
(OR) Option 2					
(OR) Option 3					

5. CATEGORY

- Retail Individual Bidder
- Non-Institutional Bidder
- QIB

6. INVESTOR STATUS

- Individual(s) - IND
- Hindu Undivided Family* - HUF
- Bodies Corporate - CO
- Banks & Financial Institutions - FI
- Mutual Funds - M F
- Non-Resident Indians - NRI (Non-Repatriation basis)
- National Investment Fund - NIF
- Insurance Funds - IF
- Insurance Companies - IC
- Venture Capital Funds - VCF
- Alternative Investment Funds - AIF
- Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue 1) 2) 3)	
Date :		

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.
Bank & Branch

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Application Form–for non-residents*

*** The format of Bid cum Application Form applicable for non-residents has not been notified by SEBI**

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER/SCSB/DP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | ESCROW BANK/SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - M F
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS

PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount paid (₹ in figures) | Bank & Branch

ASBA Bank A/c No.

Stamp & Signature of SCSB Branch

Received from Mr./Ms.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER

(a) Bidders/ Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/ Applicants should note that the name and address fields are compulsory and E-mail and/ or telephone number/ mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid-cum Application Form/ Application Form may be used to dispatch communications(including refund intimations and letters notifying the unblocking of the bank accounts of ASBA Bidders) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/ Applications**: In the case of Joint Bids/ Applications, the Bids/ Applications should be made in the name of the Bidder/ Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/ Applicant would be required in the Bid cum Application Form/ Application Form and such first Bidder/ Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/ Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/ 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 to any other person in a fictitious name,
***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 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.

(e) **Nomination Facility to Bidder/ Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/ Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN OF SOLE/ FIRST BIDDER/ APPLICANT

(a) PAN (of the sole/ first Bidder/ Applicant) provided in the Bid cum Application Form/ Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/ Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim ("PAN Exempted Bidders/ Applicants"). Consequently, all Bidders/ Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid cum Application Form/ Application Form, irrespective of the Bid/ Application Amount. Bids/Applications by the Bidders/ Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/ Applicants 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.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/ MRD/ DP/ 22/ 2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS DEPOSITORY ACCOUNT DETAILS

(a) Bidders should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders should ensure that the beneficiary account provided in the Bid cum Application Form is active.

(c) Bidders should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/ Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Accounts or for any other correspondence(s) related to an Issue.

(d) Bidders are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/ Applicants' sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/ RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/ FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Bidders or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIBs and such Bids from QIBs and NIBs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RIB shall not be less than the minimum Bid Lot, subject to availability of shares in the RIB category, and the remaining available shares, if any, shall be

Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/ Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders and Retail Individual Shareholders must be for such number of shares, so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000. Bids by Eligible Employees must be for such number of Equity Shares, so as to ensure that the Bid Amount less Discount (as applicable) does not exceed ₹ 500,000. However, Allotment to Eligible Employees in the Employee Reservation Portion may exceed ₹ 200,000 only in the event of an under subscription in the Employee Reservation Portion and such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion for a value in excess of ₹ 200,000, subject to the total Allotment to Eligible Employee not exceeding ₹ 500,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any)then such Bid may be rejected if it is at the Cut-off Price.

For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(b) Bids by QIBs and NIBs must be for such minimum number of shares, such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/ Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.

(c) RIB may revise or withdraw their Bids until Bid/Issue Closing Date. QIBs and NIB's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.

(d) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(e) For Anchor Investors, if applicable, the Bid Amount shall be at least ₹ 100 million. One-third of the Anchor Investor Category shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(f) A Bid cannot be submitted for more than the Issue size.

(g) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(h) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. If there is/are one or more bids at prices at or above the Issue Price, the Bid for the highest number of equity Shares shall be considered for Allotment This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

(b) Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(c) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

(i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

(ii) For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(d) The following Bids may not be treated as multiple Bids:

(i) Bids by Reserved Categories Bidding in their respective Reservation Category as well as Bids made by them in the Retail Category in public category.

(ii) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

(iii) Bids by Mutual Funds submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

(iv) Bids by Anchor Investors under the Anchor Investor Category and the QIB Category.

4.1.5 **FIELD NUMBER 5 : CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, NIBs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with the SEBI ICDR Regulations, with one-third of the Anchor Investor Category reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/ Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, Bidders/ Applicants may refer to the RHP/ Prospectus.

(d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of

Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder may refer to the RHP/ Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders are requested to refer to the RHP/ Prospectus for more details.

(c) Bidders/ Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provide in the ASBA Form. If the Discount is applicable in the Issue, the RIBs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for Bid Amount net of Discount. Only in cases where the RHP/ Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount issued, if any.

(b) Bidders who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

(c) All Bidders (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques, or demand drafts, through money order or through postal order.

4.1.7.1 **Additional Payment Instructions for NRIs**

4.1.7.2 The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.3 **Instructions for Anchor Investors**

(a) Anchor Investors may submit their Bids through a Book Running Lead Manager.
(b) Payments should be made either by RTGS, direct credit or NEFT.
(c) The Escrow Collection Banks shall maintain the monies in the Escrow Accounts for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.4 **Payment Instructions for ASBA Bidders**

(a) Bidders may submit the ASBA Form either:

i. in electronic mode through the internet banking facility issued by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the ASBA Form. The ASBA Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the ASBA Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centres, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted them may 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 location for the Designated Intermediaries to deposit ASBA Forms.

(h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated SCSB Branch where the ASBA Account is maintained.

(i) Upon receipt of the ASBA Form, the Designated SCSB Branch may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated SCSB Branch may not accept such Bids and such bids are liable to be rejected.

(l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated SCSB Branch to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Accounts, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Accounts designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (iv) above may be transferred to the Public Issue Accounts, and (v) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder other than Anchor Investors to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Issue Closing Date.

4.1.7.5 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RIB Category, Retail Individual Shareholder and are only eligible for discount. For Discounts issued in the Issue, Bidders may refer to the RHP/ Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

(d) Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.8 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

(a) Only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder, then the signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorization/ undertaking box in the ASBA Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

(d) Bidders/ Applicants must note that Bid cum Application Form without signature of Bidder/ Applicant and/ or ASBA Account holder is liable to be rejected.

4.1.9 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids/Applications made in the Issue may be addressed as under:

(i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, refund intimations, the Bidders should contact the Registrar to the Issue.

(ii) In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders should contact the relevant Designated SCSB Branch.

(iii) In case of queries relating to uploading of Bids by a Syndicate Member, the Bidders should contact the relevant Syndicate Member.

(iv) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders should contact the relevant Registered Broker.

(v) In case of Bids submitted to the RTA, the Bidders should contact the relevant RTA.

(vi) In case of Bids submitted to the CDP, the Bidders should contact the relevant DP.

(vii) Bidder may contact the Company Secretary and Compliance Officer or the Lead Manager(s) in case of any other complaints in relation to the Issue.

(c) The following details (as applicable) should be quoted while making any queries –

(i) full name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for , amount paid on application.

(ii) name and address of the Designated Intermediary, where the Bid was submitted;

(iii) in case of Bids other than from Anchor Investors, ASBA Account number in which the amount equivalent to the Bid Amount was blocked; or

(iv) in case of Bids by Anchor Investor, details of direct credit and name of the issuing bank thereof.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Bid/Issue Period, any Bidder (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RIB may revise their bids or withdraw their Bids on or before the Bid/Issue Closing Date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder can make this revision any number of times during the Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through which such Bidder/ Applicant had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

Address : .... Contact Details: .... CIN No ....

FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)								Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)									
									Bid Price			Retail Discount			Net Price			"Cut-off"
	8	7	6	5	4	3	2	1	3	2	1	3	2	1	3	2	1	(Please ✓ tick)
Option 1																		
(OR) Option 2				OLD BID														
(OR) Option 3																		

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)								Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)									
									Bid Price			Retail Discount			Net Price			"Cut-off"
	8	7	6	5	4	3	2	1	3	2	1	3	2	1	3	2	1	(Please ✓ tick)
Option 1																		
(OR) Option 2				REVISED BID														
(OR) Option 3																		

6. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Additional Amount Paid (₹) Bank & Branch

Stamp & Signature of SCSB Branch

ASBA Bank A/c No.

REVISED BID

Received from Mr./Ms.

Telephone / Mobile Email

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares		REVISED BID	
Bid Price			
Additional Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.

Bank & Branch

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3**: **NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER, PAN OF SOLE/ FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Bidders should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIBs and Retail Individual Shareholders, such Bidders should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/ Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIBs and Bids by under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalised.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders are required to authorise blocking of the full Bid Amount (less Discount (if applicable)along with the Bid Revision Form . In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount issued, if any.

(b) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/ Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required to be blocked and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIBs and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the finalisation of the Basis of Allotment.

4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS

Bidders may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/ FIRST BIDDER, PAN OF SOLE/ FIRST BIDDER& DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT

(a) The Issuer may mention the Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIBs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.

ii. For applications from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portions as well as that made by them in the Net Issue portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Issue are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Bidders (other than Anchor Investors) are required to only make use of ASBA for applying in the Issue.

(b) Bid Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.5 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3**Discount (if applicable)**

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4.1 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM

Bidders may submit completed Bid-cum-application form/ Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Anchor Investor s Application Form	To the Book Running Lead Managers of the Syndicate at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a) To the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the designated CDP Location . (b) To the Designated SCSB Branches

(a) Bidders should submit the Revision Form to the same Designated Intermediary through which such Bidder had placed the original Bid.

(b) Upon submission of the Bid-cum-Application Form, the Bidder will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/ Applicant.

(c) Upon determination of the Issue Price and filing of the Prospectus with the ROC the Bid-cum-Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of the SEBI ICDR Regulations. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Lead Managers to register their Bid.

(b) In case of Bidders (excluding NIBs and QIBs) Bidding at Cut-off Price the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries (i) are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the after which the Stock Exchange(s) send the bid information to the Registrar further processing. Bid/Issue Period with respect to the Bidders other than the Bids received from the Retail Individual Bidders and (ii) shall submit the Bid cum Application Form and modification (at periodic intervals) on a day to day basis during the Bid/Issue Period with respect to Bids received from Retail Individual Bidders after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the Lead Managers at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIBs can withdraw their Bids until Bid/Issue Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

(i) the Bids accepted by the Designated Intermediaries,
(ii) the Bids uploaded by the Designated Intermediaries, and
(iii) the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The Lead Managers and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the Lead Managers and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIBs & RIBs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Lead Managers Designated Intermediaries or at the time of finalisation of the Basis of Allotment. Bidders/ Applicants are advised to note that the Bids/ Applications are liable to be rejected, *inter alia*, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid 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);

(b) Bids by OCBs;

(c) In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/ Application Form;

(e) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids by any person outside India if not in compliance with applicable foreign and Indian laws. In particular, Bids by any investor in the United States or a U.S. person who is not a U.S. QIB or QP; Bids by any investor in the United States or a U.S. person of less than US$250,000 or its equivalent in another currency;;

(g) PAN not mentioned in the Bid cum Application Form except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids at a price less than the Floor Price & Bids/ Applications at a price more than the Cap Price;

(k) Bids at Cut-off Price by NIBs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;

(m) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Submission of more than five Bid cum Application Forms through a single ASBA Account;

(o) Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(p) Multiple Bids as defined in this GID and the RHP/ Prospectus;

(q) Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

(r) In case of Anchor Investors, Bids where sufficient funds are not available in Anchor Investor Escrow Accounts as per final certificate from the Escrow Collection Banks;

(s) Where no confirmation is received from SCSB for blocking of funds;

(t) Bids by Bidders (other than Anchor Investors) not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Investors accompanied with cheque(s) or demand draft(s);

(u) Bids submitted to a Lead Manager at locations other than the Specified Cities and Bid cum Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(v) Bids not uploaded on the Stock Exchanges bidding system; and

(w) Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/ Prospectus. For details in relation to allocation, the Bidder may refer to the RHP/ Prospectus

(b) Under-subscription in any category (except QIB Category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and the Selling Shareholders in consultation with the Lead Managers and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed Category in QIB Category is not available for subscription to other categories.

(c) In case of under-subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Category to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/ Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., 22.00 in the above example. The Issuer, in consultation with the Lead Managers, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below 22.00. All Bids at or above the Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/ or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated SCSB Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("**ASBA Account**"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net issue to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP/ Prospectus. No Retail Individual Bidder is will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Issue (excluding any Issue for Sale of specified securities). However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot ("**Maximum RIB Allottees**"). The Allotment to the RIBs will then be made in the following manner:

(a) In the event the number of RIBs who have submitted valid Bids in the Issue is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIBs who have submitted valid Bids in the Issue is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBs

Bids received from NIBs at or above the Issue Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Portion.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Portion; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Issuer and the Selling Shareholders in consultation with the Lead Managers, subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Category shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2,500 million and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the Lead Managers, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Issue Price is higher than the Anchor Investor Issue Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the terms of the Escrow Agreement, into the Public Issue Accounts with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Category shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Issue Closing Date.

7.7 ALLOTMENT UNDER THE HDFC AMC EMPLOYEE RESERVATION PORTION

Bids received from Eligible HDFC AMC Employees under the HDFC AMC Employee Reservation Portion at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful Eligible HDFC AMC Employees shall be made at the Offer Price. If the aggregate demand in this category is less than or equal to the HDFC AMC Employee Reservation Portion at or above the Offer Price, full Allotment may be made to Eligible HDFC AMC Employees to the extent of their demand. In case the aggregate demand in this category is greater than the HDFC AMC Employee Reservation Portion at or above the Offer Price, then the maximum number of Eligible HDFC AMC Employees who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Eligible HDFC AMC Employees by the minimum Bid Lot ("**Maximum Eligible HDFC AMC Employees Allottees**"). The Allotment to the Eligible HDFC AMC Employees will then be made in the following manner:

(a) In the event the number of Eligible HDFC AMC Employees who have submitted valid Bids in the Offer is equal to or less than the Maximum Eligible HDFC AMC Employees Allottees, (i) all such Eligible HDFC AMC Employees shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the HDFC AMC Employee Reservation Portion shall be Allotted on a proportionate basis to the Eligible HDFC AMC Employees who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of Eligible HDFC AMC Employees who have submitted valid Bids in the Offer is more than Maximum Eligible HDFC AMC Employees Allottees, the Eligible HDFC AMC Employees (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.8 ALLOTMENT UNDER THE HDFC EMPLOYEE RESERVATION PORTION

Bids received from Eligible HDFC Employees under the HDFC Employee Reservation Portion at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful Eligible HDFC Employees shall be made at the Offer Price. If the aggregate demand in this category is less than or equal to the HDFC Employee Reservation Portion at or above the Offer Price, full Allotment may be made to Eligible HDFC Employees to the extent of their demand. In case the aggregate demand in this category is greater than the HDFC Employee Reservation Portion at or above the Offer Price, then the maximum number of Eligible HDFC Employees who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Eligible HDFC Employees by the minimum Bid Lot ("**Maximum Eligible HDFC Employees Allottees**"). The Allotment to the Eligible HDFC Employees will then be made in the following manner:

(a) In the event the number of Eligible HDFC Employees who have submitted valid Bids in the Offer is equal to or less than the Maximum Eligible HDFC Employees Allottees, (i) all such Eligible HDFC Employees shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the HDFC Employee Reservation Portion shall be Allotted on a proportionate basis to the Eligible HDFC Employees who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of Eligible HDFC Employees who have submitted valid Bids in the Offer is more than Maximum Eligible HDFC Employees Allottees, the Eligible HDFC Employees (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.9 ALLOTMENT UNDER THE HDFC SHAREHOLDERS RESERVATION PORTION

Bids received from Eligible HDFC Shareholders under the HDFC Shareholders Reservation Portion at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful Eligible HDFC Shareholders shall be made at the Offer Price. If the aggregate demand in this category is less than or equal to the HDFC Shareholders Reservation Portion at or above the Offer Price, full Allotment may be made to the HDFC Shareholders to the extent of their demand. In case the aggregate demand in this category is greater than the HDFC Shareholders Reservation Portion at or above the Offer Price, then the maximum number of Eligible HDFC Shareholders who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to Eligible HDFC Shareholders by the minimum Bid Lot ("**Maximum Eligible HDFC Shareholders Allottees**"). The Allotment to the Eligible HDFC Shareholders will then be made in the following manner:

(a) In the event the number of Eligible HDFC Shareholders who have submitted valid Bids in the Offer is equal to or less than the Maximum Eligible HDFC Shareholders Allottees, (i) all such Eligible HDFC Shareholders shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the HDFC Shareholders Reservation Portion shall be Allotted on a proportionate basis to the Eligible HDFC Shareholders who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of Eligible HDFC Shareholders who have submitted valid Bids in the Offer is more than Maximum Eligible HDFC Shareholders Allottees, the Eligible HDFC Shareholders (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.10 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(g) Bidders may be categorized according to the number of Equity Shares applied for;

(h) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(i) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(j) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(k) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful

Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with Depositories, and within six Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/ list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/ Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/ Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders.

If such money is not refunded to the Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/ Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any issue for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Issue involving a fresh Issue and the Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Issue for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 days from the Bid/Issue Closing Date, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum.in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI Regulations comes for an Issue under Regulation 26(2) of SEBI Regulations but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) In case of ASBA Bids: Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Accounts on for unsuccessful Bid and also or for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories the bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(b) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(c) **RTGS**— Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund from through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code ("**IFSC**"). Charges, if any, levied by the Escrow Collection Bank for the same would be borne by our Company. Changes, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the modes shall be credited only to the bank account from which the Bid

Amount was remitted to the Escrow Collection Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if the refund instructions have not been given to the clearing system in the prescribed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made within the timelines prescribed under applicable law.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/ Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/ Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/ Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Category in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Escrow Accounts	Account opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NECS/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Anchor Investor Category	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the Lead Managers to Anchor Investors on a discretionary basis One-third of the Anchor Investor Category is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ / ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	An account maintained with an SCSB which may be blocked by such SCSBs to the extent of the Bid Amount of the Bidder
ASBA Bidder	All Bidders except Anchor Investors.

Term	Description
ASBA Form	Application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Issue	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Anchor Investors Escrow Accounts for the Anchor Investors may be opened, and as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	Basis on which the Equity Shares may be Allotted to successful Bidders under the Issue
Bid	An indication to make an issue during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Forms, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Issue Closing Date	The date after which the Syndicate, Registered Brokers, the SCSBs, RTAs , DP as the case may be, may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/ bidders may refer to the RHP/ Prospectus for the Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate, the SCSBs, RTAs, DP as the case may be, may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/ bidders may refer to the RHP/ Prospectus for the Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Bidders/ Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations. Applicants/ bidders may refer to the RHP/ Prospectus for the Issue Period
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the RHP/ Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder should be construed to mean an Bidder
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under the SEBI ICDR Regulations, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
GCBRLM(s)/ Global Coordinating Book Running Lead Manager(s)/ Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/ Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Issue Period
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE
Cut-off Price	Issue Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/ Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation and bank account details
Designated SCSB Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	Date on which funds are transferred by the Escrow Collection Banks from the Anchor Investor Escrow Accounts and instructions are given to the SCSBs to unblock the ASBA Accounts and transfer the amounts blocked by the SCSBs from the ASBA Accounts, as the case may be, to the Public Issue Accounts or the Refund Account, as appropriate, in terms of the Red Herring Prospectus and the aforesaid transfer and instructions shall be issued only after the finalisation of Basis of Allotment in consultation with the Designated Stock Exchange
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect ASBA Forms from the Bidders, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA 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 Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/ Prospectus of the Issuer

Term	Description
Discount	Discount to the Issue Price that may be provided to Bidders/ Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Equity Shares	Equity Shares of the Issuer
Escrow Agreement	Agreement entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/ Fixed Price Process/ Fixed Price Method	The Fixed Price process as provided under the SEBI ICDR Regulations, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offer/ further public offer as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RIB Allottees	The maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/ Prospectus and Bid cum Application Form
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the RHP/ Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIBs	All Bidders, including FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)

Term	Description
Non-Institutional Category	The Category of the Issue being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/ Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public issue of such number of Equity Shares as disclosed in the RHP/ Prospectus through an issue for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than retail individual bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income-Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price ,the size of the Issue and certain other information
Public Issue Accounts	Bank accounts opened under Section 40(3) of the Companies Act, 2013, to receive monies from the Anchor Investor Escrow Accounts and the ASBA Accounts on the Designated Date
QIB Category	The Category of the Issue being such number of Equity Shares to be allocated to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under the SEBI ICDR Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are issued and the size of the Issue. The RHP may be filed with the RoC at least three days before the Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI

Term	Description
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the Syndicate and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar to the Issue/ RTI	The Registrar to the Issue as disclosed in the RHP/ Prospectus and Bid cum Application Form
Reserved Portion/ Categories	Categories of persons eligible for making application/ Bidding under reservation Category
Reservation Portion	The Category of the Issue reserved for such category of eligible Bidders as provided under the SEBI ICDR Regulations
Retail Individual Bidders/ RIBs	Bidders who apply or bid for a value of not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis than ₹ 200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders, including ASBA Bidders, in an issue through Book Building Process to modify the quantity of Equity Shares and/ or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Banks() or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised- Intermediaries and updated from time-to-time
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)/ SM	The Syndicate Member(s) as disclosed in the RHP/ Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Working Day" means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, on which the commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

SECTION VIII: MAIN PROVISIONS OF OUR ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the ICDR Regulations, the main provisions of our Articles of Association relating to, among others, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalised/defined terms herein have the same meaning given to them in our Articles. Subject to our Articles, any words or expression defined in the Companies Act, 2013 shall, except so where the subject or context forbids; bear the same meaning in these Articles.

The Articles of Association of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part A shall, subject to Applicable Law, prevail and be applicable. However, Part A shall automatically terminate and cease to have any force and effect from the date of listing and trading of Equity Shares on a recognized stock exchange in India pursuant to an initial public offering of the Equity Shares, without any further corporate action by the Company or by the shareholders.

PART A

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3. Authorised Share Capital

The Authorised Share Capital of the Company shall be the amount set out at Clause V of the Memorandum of Association of the Company with power to increase or reduce or modify the said capital and to divide the Shares for the time being, of the Company, in to several classes as permissible in Applicable Law and to attach thereto respectively preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with these Articles and subject to Applicable Law for the time being in force, and to vary, modify, amalgamate or abrogate any such right, privilege or condition in such manner as may be provided for by the Articles and subject to Applicable Law for the time being in force.

4. Increase of capital by the Company and how carried into effect

The Company in General Meeting may, from time to time, by Ordinary Resolution increase the capital by the creation of new Shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe. The new Shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the General Meeting shall direct and if no direction be given, as the Board shall determine, and in particular, such Shares may be issued with preferential or qualified right as to dividends and in the distribution of the assets of the Company and with a right of voting at the General Meetings of the Company in conformity with Section 47 of the Act, or as equity Share capital with voting rights or with differential rights as to dividend, voting or otherwise in conformity with Section 43 of the Act.

5 Issue of Preference Shares

The Company shall have the power to issue preference shares, carrying a right of redemption out of the profits of the Company or out of the Securities premium account of the Company or out of the proceeds of a fresh issue of shares made for the purposes of such redemption in accordance with and subject to the provisions of Section 55 of the Act; further the Register maintained under Section 88 of the Act shall contain the particulars in respect of such preference share holder(s)

7 Further issue of capital

(1) Where at any time, it is proposed to increase their subscribed capital of the Company by allotment of further Shares, such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity Shares in the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date by sending a letter of offer subject to the following conditions, namely:

(i) such a offer shall be made by a notice specifying the number of Shares offered and stipulating a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(ii) the offer aforesaid shall 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 (i) above shall contain a statement of this right; and

(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board may dispose of such Shares in such manner which is not disadvantageous to the Members and the Company;

(2) Notwithstanding anything contained in preceding paragraph, the new Shares aforesaid may be offered to the employees of the Company under a scheme of employees' stock option, or to any Persons, whether, or not those Persons include the Persons who, at the date of the offer, are holders of the equity Shares of the Company or are employees of the Company, either for cash or for a consideration other than cash, if a requisite resolution to that effect is passed by the Company in general meeting.

8 In addition to and without derogating from the power conferred on the Board under Article 7, the company in General Meeting may, subject to the provision of the Act, determine that any Shares (whether forming part of the original capital or any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and condition and either (subject to compliance with the provisions of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person/s (whether a Member or not) the option to call of or to be allotted Shares of any class of the Company either at a premium or at par or at discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provision whatsoever for the issue, allotment and disposal of any Shares.

9 Reduction of Capital

The Company may from time to time, subject to Members' approval and confirmation of the National Company Law Tribunal and subject to the provisions of Section 66 of the Act, reduce its capital, any capital redemption reserve account or Share premium account in any manner for the time being authorised by law, and in particular without prejudice to the generality of the power, may –

a extinguish or reduce the liability on any of its Shares in respect of Share capital not paid up; or

b either with or without extinguishing or reducing the liability on any of its Shares, cancel any paid-up Share capital which is lost or is unrepresented by available assets or pay off any paid-up Share capital which is in excess of the wants of the Company,

c alter the Memorandum of Association of the Company by reducing the amount of its Share capital and of its Shares accordingly.

This Article shall not derogate from any power the Company would have if it were omitted.

10 Buyback of Securities

Notwithstanding anything contained in these Articles, the Company may purchase its own Shares or other specified securities subject to the provisions of Sections 68 of the Act and other applicable provisions of law as also subject to guidelines issued by the Securities and Exchange Board of India, as applicable.

12 Increase, sub-division and consolidation of Shares, conversion of Shares into stock and reconversion of stock into Shares

Subject to the provisions of Section 61 of the Act, the Company in General Meeting may, from time to time, by ordinary Resolution alter the Conditions of its Memorandum of Association so as to

(1) consolidate and divide all or any of its Share capital into Shares of larger amount than its existing Shares;

(2) convert all or any of its fully paid up Shares into stock, and reconvert that stock into fully paid up Shares of any denomination;

(3) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association of this Company, 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 same as it was in the case of the Share from which the reduced Share is derived, and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such subdivision, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise, over, or as compared with, the others or other; and

(4) 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.

Where Shares are converted into stock -

(1) the holders of stock may transfer the same or any 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 thereto as circumstances admit:

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.

(2) the holders of stock shall, according to the amount of stock held by them, have the same rights, 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 upon an amount of stock which would not, if existing in Shares, have been conferred that privilege or advantage.

(3) such of the regulations of the Company as are applicable to paid-up Shares shall apply to stock and the words “Share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

SHARE AND SHARE CERTIFICATES

15 (1) Subject to any requirement of Applicable Law governing the issue and signatures to and sealing of certificate to Shares and the provisions of these Articles, the certificate of title to Shares (including any Shares forming part of any increased capital of the Company) shall be issued under the Seal of the Company and shall bear the signature of two Directors duly authorised by the Board for the purpose or the committee of the Board, if so authorised by the Board; and the Secretary or any person authorised by the Board for the purpose; provided that, if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the managing or whole-time Director. Any certificate issued in accordance with the forgoing shall be prima facie evidence of the title of the Member to the Shares in question. Where the Shares are held in dematerialised form the record of the Depository shall be the prima facie evidence of the interest of the beneficial owner.

(2) The Company shall, within two months after the allotment of Shares, complete and have ready for delivery the certificates of Shares allotted, unless the conditions of issue of Shares otherwise provide. The Director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography or digitally signed. Provided always that notwithstanding anything contained in this Article, the

certificates of title to Shares may be executed and issued in accordance with such other provisions of the Act or the rules made thereunder, as may be in force for the time being and from time to time.

(3) Without prejudice the provisions contained in Article 12(1) above, the equity share capital will be held by HDFC and Standard Life Investments in such proportion as may be determined between them.

(4) In the event the Board of Directors/Shareholders of the Company decide to offer options or shares to the employees of the Company subject to necessary regulatory approvals, then the holdings of HDFC and Standard Life Investments shall stand reduced proportionately.

16 Member's right to Certificate

Every member shall be entitled, free of charge, to one certificate for all the Shares registered in his name. Every certificate of Shares shall specify the number and the denoting number / numbers of the Shares in respect of which it was issued, and the amount paid up thereon. For each further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge as may be prescribed under the Act.

18 Dematerialisation of Share

Notwithstanding anything contained in these Articles, the Company shall, in accordance with the provisions of the Depositories Act, 1996, be entitled to dematerialise or rematerialize its Securities and offer its Securities in dematerialised form.

19 Right of Depository and Beneficial Owner

(1) 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 Security on behalf of the beneficial owner.

(2) Save as otherwise provided in (1) above, the Depository, as the registered owner of the Securities, 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 in the records of the Depository shall be deemed to be a Member of the Company. The beneficial owner of the Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository.

23 Deposit and calls etc. to be debt payable immediately

The money, if any, which the Board of Directors shall, on the allotment of any Shares being made by it, require or direct to be paid by way of deposit, call or otherwise, in respect of the Shares so allotted, shall immediately on the insertion of the name of the allottee in the Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

CALLS AND INSTALMENTS

33 Calls

(1) The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the condition of allotment, by a duly passed resolution, make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Each Member shall pay the amount of every call so made on him to the person, and the time and place appointed by the Board.

(2) A call may be revoked or postponed at the discretion of the Board.

(3) A call may be made payable by instalments.

34 Not less than fourteen days' notice in writing of any call shall be given by the company specifying the time and place of payment, and the person or persons to whom such calls shall be paid.

35 A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

36 The board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to the payment of any call for any of the Members but no members shall be entitled to such extension save as a matter of grace and favour.

37 (1) If any Member fails to pay any call due from him on the date 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 such rate as shall, from time to time be fixed by the board.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

38 Sums deemed to be calls

Any sum, which 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 purpose of these 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.

39 Proof of trial of suit for money due on share

At the trial or hearing of any suit action or other proceeding brought by the company against any Member or his representative for the recovery of any money claimed to be due to the company in respect of his Shares, it shall be sufficient to prove:

(1) that the name of the Member, in respect of whose Shares the money is sought to be recovered, appears entered in the Register of Members as the holder or one of the holders in respect of which such debt accrued, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the Shares in respect of which such money is sought to be recovered;

(2) that the resolution making the call is duly recorded in the Minutes Books; and

(3) that the notice of such call was duly given to the Member or his representative sued in pursuance of these Articles and it shall not be necessary to prove the appointment of the director who made such call, nor that a quorum of Directors was present at the meeting of the Board at which any call was made, nor that the meeting at which any call was made duly convened or constituted nor any other matter whatsoever.

42 Members not entitled to privileges until all calls are paid

No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

LIEN

43. (1) The Company shall have a first and paramount lien:

(i) upon all Shares (not being fully paid up Shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys including his debts, liabilities and engagement solely or jointly with any other person to or with the Company (whether presently payable or not) called or payable at a fixed time in respect of such Shares;

(ii) on all Shares (not being fully paid Shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board, may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

(2) The Company's lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such Shares.

(3) Unless otherwise agreed, the registration of transfer of Shares shall operate as a waiver of the Company's lien, if any, on such Shares.

44 Enforcing lien by sale

(1) For the purpose of enforcing such lien as aforesaid, the Board may sell the Shares subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such Member.

Provided that no such sale shall be made -

(i) Unless a sum in respect of which the lien exists is presently payable, or

(ii) Until the expiration of 14 (fourteen) 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 registered holder, for the time being, of the Share or the person entitled thereto on his death or insolvency.

(2) To give effect to any such sale, the Board may authorise some person to transfer the Shares sold to the purchaser thereof.

(3) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.

(4) The purchaser shall not be bound to see to the application of the purchase money, nor will the purchaser's title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

45 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 exist 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 person entitled to the Shares on the date of the sale.

FORFEITURE OF SHARES

46 If any Member fails to pay any call or instalment of a call, on or before the day appointed for the payment of the same or any such extension thereof, the Board of Director may, at any time thereafter during such time as the call or instalment remains unpaid, serve notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

47 Notice of Forfeiture

(1) The notice shall name a day (not being less than 14 (fourteen) days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate as may be determined by the Board as the Board shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid.

(2) The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, every or any Shares, in respect of which the call was made or instalment is payable, will be liable, at any time thereafter, but before payment on all calls or instalments, interest and expenses, due in respect thereof, to be forfeited by a resolution of the Board to that effect.

49 If the requirements of any deemed call as set out in Article 39 above shall not be complied with, every or any Share in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable by the company in respect of the forfeited Shares and not actually paid before the forfeiture.

50 Omission to give Notice not to invalidate forfeiture

When any Share shall have been so 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 nor neglect to give such notice or to make any such entry as aforesaid.

51 Forfeited Share to be the property of the Company

Any Share so forfeited shall be deemed to be the property of the Company, and may be sold or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such terms and in such manner as the Board shall think fit.

52 Liability of Members on forfeiture

(1) Any Member whose Shares have been forfeited shall not withstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand, all call, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate, as the Board may determine and the Board may enforce the payment thereof, if it thinks fit, but shall not be under any obligation to do so.

(2) The liability of such person shall cease if and when the Company shall have received payment in full of all such money in respect of the Shares.

53 The forfeiture of a Share shall involve extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the Shares and all other rights incidental to the Shares, except only such of those rights as by these Articles are expressly saved.

54 Validity of Sale of Forfeiture

(1) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the Shares sold and may cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and purchaser shall not be bound to see the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person.

(2) Upon any such sale or other disposal under the above Paragraph, the certificate or certificates originally issued in respect of the Shares sold 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 new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

56 A declaration in writing that the declarant is a Director, the manager or the Company Secretary or such other person, of the Company as may be authorised from time to time and that certain Shares in the Company have been duly forfeited on the date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

57 The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the share is sold or disposed of andthe transferee shall thereupon be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any regularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share

58 The provisions of the Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of the issue of a Share becomes payable at a fixed time, whether on account of the nominal value of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

59 The Shares or other interest of any member in the Company shall be movable property transferable in the manner provided under the Articles.

60 Execution of Transfer of Shares

No transfer of Securities of the Company, other than a transfer between two persons both of whose names are entered as holders of beneficial interest in the records of a Depository, shall be registered unless a proper instrument of transfer in such form as may be prescribed duly stamped, dated and executed by or on behalf of both the transferor and transferee and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor or the transferee within a period of 60 (sixty) days from the date of execution along with the certificates relating to the Securities or if no such certificate is in existence, along with the letter of allotment of the Securities; provided the transferor shall be deemed to remain the holder of such Share until the name of the transferee is entered in the Register in respect thereof.

Provided that where the instrument of transfer has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

61 Form and Notice of Transfer

The instrument of transfer of any Securities held in physical form shall be in writing in the prescribed form and in accordance with Section 56 of the Act. In case of transfer of Shares held in dematerialised form, the applicable provisions of the Depositories Act, 1996 shall apply.

62 In accordance with Section 58 of the Act, these Articles and other Applicable Law, if the Company refuses to register any such transfer of right, the Company shall, within 15 (fifteen) days from the date on which the instrument of transfer was delivered to the Company, send notice of the refusal to the transferee and the transferor

63 No transfer shall be made to a minor, an infant or person of unsound mind except where such person is represented by a guardian.

64 Every instrument of transfer duly executed and stamped shall be left at the Office of the Company within a period of 60 (sixty) days or such other period as may be prescribed, for registration accompanied by the certificate of the Securities to be transferred and such other evidence as the Company may require, to prove title for the transferor or his right to transfer the Shares. All instruments of transfer which shall be registered shall be retained by the Company but may be destroyed upon expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Directors may decline to register shall on demand, be returned to the person depositing the same.

66 Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the relative Share certificate(s) and such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and Regulations as the Board may, from time to time, prescribe and every registered instrument or transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

67 Application for Transfer

An application of registration of a transfer of Shares in the Company may be made either by the transferor or the transferee.

68 Transfer of partly paid share when to be registered

(1) Where the application for registration of a transfer of Shares is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

(2) For the purpose of Paragraph (1) above, notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

70 In the case of death, insolvency, liquidation, dissolution or winding up of any one or more of the persons named in the Register of Members as the sole or joint holders of any Shares, the Company shall not be bound to recognise any person(s) other than the surviving or remaining holder/s.

71 Registration of persons entitled to shares otherwise than by transfer

Any person becoming entitled to Shares in consequence of death, insolvency, dissolution, winding up or liquidation of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board, which it shall be under no obligation to give, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or his title, as the Board thinks sufficient, be registered as the holder of the Shares subject to the provisions of the Act, and the Articles.

72 Title to Share of deceased holder

Except where a deceased member had made a nomination in respect of the Securities held (in which case such Securities shall be dealt with in the manner prescribed by the Act and the rules thereunder), the legal representative(s) of a deceased member shall be the only persons recognised by the Company as having any title to or interest in such Securities except in case of joint holders in which case the surviving holder or holders or the legal representatives of the last surviving holder shall be the only persons entitled to be so recognised; but nothing herein contained 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.

74 Persons entitled to receive dividend

A person, after becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would have been entitled to, if he were the registered holder of the Shares, except that he shall not, before being registered as a Member in respect of the Shares, be entitled to exercise any right conferred by Membership in relation to meetings of the Company or otherwise.

Provided that the Board may, at any time, give notice requiring any such person to elect either to have himself registered or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the

Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

76 Refusal to register transfer or transmission of Shares by Directors

Subject to the provision of the Act and these Articles, the Board may, at its absolute and uncontrolled discretion, but for sufficient cause, decline to register any transfer or transmission of Shares (notwithstanding that the proposed transferee or the beneficiary under transmission to be already a Member) but in such case it shall, within two months 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 to the transferee and the transferor, notice of the refusal to register such transfer or transmission.

Registration of a transmission shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except by way of a lien on the Shares.

78 Register of Transfer and Transmission

The Company shall keep a book, to be called the "Register of Transfer and Transmissions", and therein shall be fairly and distinctly entered particulars of every transfer and transmission of Shares.

80 Transfer of debentures etc.

The provisions of these Articles shall *mutatis mutandis* apply to the transfer of or the transmission by operation of law of the right to debentures or other securities of the Company.

MEETINGS OF MEMBERS

85 Annual General Meetings

(1) The Company shall in each year hold General Meeting as its Annual General Meeting which shall be held in accordance with Section 96 of the Act, in addition to any other Meeting in that year.

(2) Every Member of the Company shall be entitled to attend every General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as such Auditor. The proxy register with proxies and the register of Directors' shareholdings shall remain open and accessible during the Meeting.

(3) At every Annual General Meeting, there shall be laid on the table the Director's Report and Audited Statement of Accounts, and the Auditors' Report (if not already incorporated in the audited Statement of Accounts).

86 Extraordinary General Meetings

(1) All General meetings other than Annual General Meeting and the statutory meeting shall be called Extraordinary Meetings.

(2) The Board may whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any one or more Members holding in the aggregate not less than one-tenth of such of the paid up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

90 Notice of Meeting

(1) A General Meeting may be called by giving a notice of at least 21 (twenty-one) clear days either in writing or through electronic mode in such manner as may be prescribed in this regard from time to time, irrespective of who calls the meeting, specifying the day, place and hour of the Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company.

No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it was convened.

(2) Provided that a General Meeting may be convened at a shorter notice than that of 21 days, if consent is accorded thereto in writing or by electronic mode by not less than 95% (ninety five percent) of the Members entitled to vote at such meeting,

(3) In case of an Annual General Meeting, any business other than (i) the consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors, (ii) declaration of a dividend, (iii) the appointment of Directors in the place of those retiring, and (iv) the appointment of, and the fixing of the remuneration of, the Auditors shall be deemed special business. In case of any other Meeting, all business shall be deemed special business. In respect of all special business to be deliberated at a General Meeting, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of special business, including, in particular, the nature of the concern or interest, if any therein of (a) every Director and the manager, if any of the Company, (b) every other key managerial personnel as defined in the Act, and (c) relatives of any of the individuals mentioned at (a) and (b) and any other information and facts that may enable the members to understand the meaning, scope and implications of the items of business and to take a decision thereon.

(4) Where any such item of business relates to, or affects any other company, the extent of Shareholding interest in that other company of (a) every promoter (if any), Director and the Manager, if any, (b) of every other key managerial personnel (as defined in the Act) of the first mentioned Company, if the extent of such Shareholding interest is not less than 2% (two per cent) of the paid-up Share capital of that other company, shall also be set out in the statement.

(5) Where any item of business consists of according of approval to any document in the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

91 Notice of every meeting shall be given to every Member of the Company, legal representative of any deceased member or the assignee of an insolvent member, the Auditor or Auditors of the Company, every Director of the Company and to every trustee for the debenture holder of any debentures issued by the Company and, wherever applicable or so required, to other specified persons.

94 Quorum of General Meetings

Five Members present in person shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting, unless the requisite quorum is present at the commencement of the business as well as while transacting the business.

95 (1) If, at the expiration of half an hour from the time appointed for the Meeting, a quorum is not present, the Meeting, if convened by or upon the requisition of Members shall stand cancelled, but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine; provided notice thereof is issued in accordance with Section 103 of the Act.

(2) If, at such adjourned Meeting also a quorum is not present within half an hour from the time appointed for the Meeting, the Members present shall be a quorum, and may transact the business for which the Meeting was called.

96 Chairman of General Meeting

(1) The Chairman, if any, of the Board of Directors shall, if willing, preside as Chairman, at every General Meeting, whether Annual or Extraordinary.

(2) If there is no such Chairman, at any Meeting the Chairman shall not be present within fifteen minutes of the time appointed for holding such Meeting, or shall decline to take the Chair, then the

Members present shall elect any other Directors as Chairman, and if no Director be present or if all the Directors present at the Meeting decline to take the chair, then the Members present shall elect one of their Member to be Chairman.

(3) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with provisions of the Act and the Chairman elected on a show of hands shall continue to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll, and such other person shall be the Chairman for the rest of the meeting.

98 The Chairman, with the consent of the Meeting, may adjourn any Meeting from time to time, and from place to place but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the meeting from which the adjournment took place..

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

99 Questions of General Meeting how decided

At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of the Meeting or by any Member or Members present in person or by proxy and holding Shares in the Company-

(1) which confer a power to vote on the Resolution not being less than one tenth of the total voting power in respect of Resolution, or

(2) on which an aggregate sum of not less than fifty thousand rupees has been paid up, and unless a poll is so demanded, a declaration by the Chairman that a Resolution has, on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the Resolution, that the Resolution has been carried.

100 In the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll, if any, have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

101 Results of Voting

A declaration by the Chairman of the meeting of the passing of a resolution or otherwise by show of hands, that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the meeting of the Company, shall be conclusive evidence of the fact of passing of such resolution, or otherwise, without proof of the number or proportion of the votes cast in favour of or against such resolution.

107 Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

VOTES OF MEMBERS

108 Members in arrears not to vote

No Member shall be entitled to vote either personally or by proxy for another Member, at any General Meeting or at any Meeting of a class of Shareholder, either upon a show of hands, or upon a poll, in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

109 Number of Votes to which Member entitled

(1) Subject to the provisions of these Articles, and without prejudice to any special privileges or restrictions as to voting, for the time being, attached to any class of Shares, for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such Meeting, and on a show of hands every Member present in person shall have one vote and upon a poll every Member present in person or by proxy shall have the right to vote in proportion to his Share of the paid up equity capital of the Company, provided, however, if any preference Shareholder be present at any Meeting of the Company, save as otherwise provided in the Act, he shall have a right to vote only on Resolutions placed before the Meeting which directly affect the rights attached to his preference Shares.

(2) Such a person shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the Member company which he represents as that Member company could exercise.

110 Voting rights of Preference Shareholders

Except as conferred by Section 47 of the Act, the holders of Preference Shares shall be entitled to be present at any meeting of the Company and have a right to vote only in respect of the following namely:-

(1) On every resolution placed before the Company at General Meeting, if the dividend due on a class of preference Shares in respect of an aggregate period of not less than two years preceding the date of the commencement of the meeting remains unpaid.

(2) On a resolution for winding up the Company.

(3) On a resolution for the repayment or reduction of the Share capital.

(4) On a resolution which directly affects the rights attached to their Preference Shares.

111 Proxy

Subject to provisions of the Act and these presents, votes may be given either personally or by attorney duly authorized under power of attorney or by proxy or in case of a body corporate also by a representative duly authorized under Section 113 of the Actor by proxy of such representative of the body corporate.

112 (1) The instrument appointing a proxy shall (a) be in writing; and (b) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or at an attorney duly authorised by it.

(2) The proxy so appointed shall not have any right to speak at the Meetings

113 No Member present only by proxy shall be entitled to vote on a show of hands unless such member is present by attorney duly authorised under power of attorney. The representative of a body corporate appointed duly authorised under Section 113 of the Act, however, shall have a vote on a show of hands.

114 Any person entitled under the Articles relating to transmission of Shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Share, provided that forty-eight (48) hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to transmission of such Shares, unless the Directors shall have previously admitted his right to transmission of such Shares or his right to vote at such meeting in respect thereof

115 A member who is of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy or is a minor, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

119 No objection shall be raised to the qualification of the voter or to the validity of any vote, except at the Meeting or at the adjourned Meeting or on a poll at which such vote shall be given or tendered, and every vote whether given personally or by proxy, not disallowed at such Meeting or adjourned Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.

120 The Chairman of any Meeting shall be the sole judge of the validity of every vote given or tendered at such Meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

121 Minutes of General Meeting and Inspection by Members

(1) The Company shall cause minutes of all proceedings of every General Meeting of any class of Shareholders or creditors, and every resolution passed by postal ballot, to be prepared and signed in accordance with the applicable provisions of the Act and other Applicable Law and to be kept for that purpose by making within thirty days of the conclusion of every such Meeting, entries thereof in books kept for that purpose with their pages consecutively numbered and the minutes shall contain and include the matters specified in Section 118 of the Act.

Explanation: For the purpose of this Articles, “book” includes a binder containing loose leaves.

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within this period, by a Director duly authorised by the Board for the purpose.

(3) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The Minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of Officers made at any of the Meetings aforesaid shall be included in the minutes of the Meeting.

(6) (i) Nothing herein contained shall require or be deemed to require the inclusion of any matter in any such minutes, which, in the opinion of the Chairman of the Meeting:-

(a) is, or could reasonably be regarded as, defamatory of any person;

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company.

(ii) The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(7) Any such minutes shall be evidence of the proceedings recorded therein.

(8) (i) The books containing the minutes of the proceedings of any General Meeting shall be kept at the Office and shall be open, during business hours, to the inspection of any Member without charge as provided in Section 119 of the Act. Any member shall be furnished with a copy of any minutes in accordance with the terms of that section.

(ii) A copy of the minutes of a general meeting shall be furnished to a member requesting the same, within 7 (seven) working days after such member has made a request to the Company upon the payment of a sum calculated at a rate not exceeding Rs. 10/- (Rupees ten only) per page or part of a page. Notwithstanding the foregoing, where a member has made a request for the provision of a soft copy in respect of any minutes of a previous general meeting held during the 3 financial years immediately preceding the request, then the same shall be supplied free of cost.

DIRECTORS

122 Number of Directors

Until otherwise determined by the Company in a General Meeting and subject to the provisions of Section 149 and 151 of the Act and other Applicable Law, the total number of Directors shall neither be less than 3 (three) nor more than 15 (fifteen).

123 (1) **Promoters Directors**

HDFC and Standard Life Investments shall jointly be entitled to appoint/nominate or cause to be elected 5 of the total number of Directors on the Board. The ratio of Directors appointed/nominated by HDFC and Standard Life Investments shall be 3:2 (i.e. 3 Directors of HDFC and 2 of Standard Life Investments). The Directors so appointed/ nominated by HDFC and Standard Life Investments shall be liable to be removed by HDFC or Standard Life Investments, as the case may be, at their discretion including in case of disqualification and HDFC or Standard Life Investments shall also be entitled to nominate/ appoint substitute or substitutes in his or their place(s) and upon such removal, the person so nominated/ appointed shall cease to be the Director of the Company with effect from the date on which HDFC or Standard Life Investments, as applicable, shall advise the Company about the withdrawal of the nomination/ appointment. HDFC and Standard Life Investments will not vote to remove any HDFC Director or Standard Life Investments Director from the office of Director except on a resolution submitted by the Director's proposer, and subject to compliance with the Mutual Fund Regulations and the Act. The Directors shall conform to such criteria as may be prescribed by Mutual Fund Regulations or as may be laid down by SEBI.

(2) **Independent Directors**

The Company shall have such number of Independent Directors on the Board of the Company as may be required in terms of the Act and Mutual Fund Regulations.

(3) **Retirement by Rotation**

Subject to provisions of the Act, at every Annual General Meeting of the Company one-third of the Directors will retire by rotation, or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office. In these Articles a "Retiring Director", means a Director retiring by rotation.

(4) 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 the persons who became Directors on the same day, those who are to retire shall, in default of, and subject to any agreement among themselves, be determined by lot.

(5) A retiring Director shall be eligible for reappointment

(6) Subject to the provisions of the Act, at the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

(7) If the place of a retiring Director, retiring by rotation at a Meeting, is not filled up at such Meeting and that Meeting has not expressly resolved not to fill the vacancy, that Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(8) If, at the adjourned Meeting also, the place of the retiring Director is not filled up, and that Meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have re-appointed at the adjourned Meeting unless

(i) at that Meeting or at the previous Meeting, a Resolution for the re-appointment of such Director has been put to the Meeting and lost;

(ii) the retiring Director has, by a notice in writing addressed to the Company or to the Board, expressed his unwillingness to be so re-appointed;

(iii) he is not qualified for appointment; or

(iv) a Resolution, whether Special or Ordinary, is required for his appointment or re-appointment by virtue of any provisions of the Act; or

(v) Section 162 of the Act is applicable to the case.

(9) No persons shall be qualified to be a Director if his appointment is in contravention with any law or Mutual Fund Regulations, if, by amendment of any law or Mutual Fund Regulations, his continuance in office is in contravention of such law or Mutual Fund Regulations and he shall immediately vacate his office and on such vacation, he shall not be entitled to any compensation.

124 Appointment of Alternate Directors

(1) A Director may at any time after obtaining approval of the Trustee of the HDFC Mutual Fund and subject to the provisions of the Companies Act, 2013 appoint any other person to act as alternate Director at any meeting of the Board at which the Director is not present and may at any time revoke any such appointment. No person shall be appointed as an alternate Director for an independent Director unless he is qualified to be appointed as an independent Director under the provisions of the Act.

(2) An alternate Director appointed under this Article shall vacate office if and when the Original Director returns to such State.

(3) If the term of office of the Original Director is determined before he so returns to that State, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director, and not to the alternate Director.

(4) An alternate Director shall not hold office as such for a longer period than that permissible to the Original Director in whose place he has been appointed.

125 Appointment of Additional Directors

(1) Subject to the provisions of the Act, the Board of Directors shall have power at any time and from time to time, to appoint any person, as an additional Director, provided that the total number of Directors and additional Directors together shall not, at any time, exceed the maximum strength fixed for the Board by the Articles and/ or by the Members.

(2) Any person so appointed as an additional Director shall remain in office only up to the date of the next Annual General Meeting or the last date on which the annual General Meeting should have been held, whichever is earlier, but shall be eligible for the appointment at such Meeting subject to the provisions of the Act.

126 Filling of Casual Vacancy

(1) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting causal vacancy may be filled by the Board at its meeting.

(2) Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

127 Disqualifications for appointment of Directors

A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualification as set out in Section 164 and other relevant provisions of the Act. Further, on and after being appointed as the Director, the office of a Director shall *ipso facto* be vacated on the occurrence of any of the circumstances as set out under Section 167 and other relevant provision of the Act or other Applicable Law.

129 Appointment of Independent Directors

The Company shall have such number of Independent Directors on the Board of the Company as may be required in terms of the provisions of Section 149 of the Act or any other Applicable Law and subject to the provisions of the Mutual Funds Regulations, as amended from time to time.

130 Appointment of Directors to be voted on individually

(1) At a General Meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors by a single resolution, unless a resolution that it shall be so made has first been agreed to by Meeting without any vote being given against it.

(2) A Resolution moved in contravention of Paragraph (1) shall be void, whether or not objection was taken at the time of its being so moved.

Provided that where a resolution so moved is passed, no provision for automatic reappointment of the retiring director in default of another appointment shall apply, as herein before provided

(3) For the purpose of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

131 (1) Subject to the provisions of the Act and these Articles, a person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting, if he or some Member intending to propose him has, not less than fourteen days before the Meeting, left at the Office 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, as the case may be, along with the deposit of such sum as may be prescribed under the Act, which shall be refunded to such person, or as the case may be, to such a member, if the person either (a) succeeds in getting elected as a Director or (b) secures not less than 25% of the total valid votes cast, in his favour either by way of a show of hands or on a poll.

(2) The Company shall inform its Members of the Candidature of a person for the office of a Director or the intention of a Member to propose such person as a candidate for that office, by serving individual notices on the Members not less than seven days before the Meeting;

Provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid, if the Company advertise such candidature or intention, not less than seven days before the Meeting, in at least two newspapers circulating in the place where the Office of the Company is located, of which one is published in the English language and other in the regional language of that place.

(3) 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 as provided in the Act signifying his candidature for the office of Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.

132 Filing of consent to act as Directors

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 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, his consent in writing to act as a Director, if appointed.

135 Resignation of Directors

Subject to the provisions of the Act and these Articles, a Director may resign from his office at any time by giving notice in writing to the Company and the Board shall upon receipt of such notice, take note of the same and the Company shall intimate the same to the Registrar in such manner, within such time and in such form as may be prescribed under Applicable Law. The resigning Director and the Company shall take all such actions and make all such filings as may be prescribed under the Act and/or Applicable Law in relation to such resignation.

136 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.

Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

143 Removal of Directors

Subject to the provisions of Section 169 of the Act and these Articles, the Company may remove any Director before the expiration of his period of office and appoint another person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

PROCEEDINGS OF THE BOARD OF DIRECTORS

144 Chairman

The Chairman of the Company shall be Mr. Deepak Parekh. Upon Mr. Deepak Parekh ceasing to be the Chairman of the Company for any reason whatsoever, subsequent Chairman shall be appointed by the Board, provided that HDFC shall have the right to nominate the candidate(s) for the position of Chairman while HDFC is the single largest Shareholder in the Company.

The Chairman of the Company shall be the Chairman at meetings of the Board.

If, at any meeting of the Board the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present shall elect one of their Members to be Chairman of such meeting.

145 Meeting of Directors

The Directors may meet together as a Board for the despatch of business, from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may otherwise regulate their meetings as they think fit.

146 Notice of Meetings

Not less than 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery, or by post, or by electronic means.

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to at least one independent director, if any, remaining present for the entire duration of the meeting. In the event that it is not possible, for any reason, to ensure the presence of an independent director at a meeting of the Board convened at shorter notice, 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, if any.

A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Board.

147 Quorum

Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time) or two Directors whichever is higher; any fraction in that one-third being rounded off as one.

Provided, however, that where, at any time the number of interested Directors at any meeting exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors (i.e. 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 participation of the Directors by video-conference or by other audio-visual means shall (except for such matters as may be specified by Applicable Law as being matters which shall not be dealt with in a meeting through video conferencing or other audio-visual means) also shall be counted for the purposes of quorum.

149 (1) Subject to the provisions of Article 149(2) below, questions arising at any meeting of the Board or committee, shall be decided by a majority of votes, and in the case of an equality of votes, the Chairman shall have a second or casting vote.

(2) Notwithstanding anything stated in these Articles, no decision on the following matters shall be deemed to have been taken unless and until the resolution carries the affirmative vote of the Standard Life Investments Director:

(i) Any variation of or amendment to the Articles or Memorandum of Association of the Company;

(ii) Any increase or variation in the authorised, issued or paid-up equity Share capital of the Company;

(iii) The issue or allotment of or agreement to issue or allot any Shares/preference shares/ debentures/ convertible/ warrants or other securities in the Company;

(iv) Any alteration to the rights of any class of the Shares;

(v) The disposal or, transfer of any part, properties or assets of the company into either a separate Company, an Associate or to any other person;

(vi) The merger or acquisition of any part, properties or assets of the Company into either a separate company, an associate or to any other person or the merger or acquisition of assets or property of any company, a body corporate, unincorporated association or any other person into the Company;

(vii) The sale, transfer, lease, license, charge or any other disposition of the whole or substantial part of the business, undertaking or assets of the Company, whether by a single transaction or series of transactions

(viii) Any alteration to or proposal to alter the scope of the business as defined herein;

(ix) Ceasing or proposing to cease to carry on business or taking any steps to wind up the company or petitioning any court of competent jurisdiction for an administration order to be made in respect of the Company; and

(x) Any resolution of the Board made at any time which directly or indirectly results in the HDFC Group receiving cash or other assets of any type or description or equivalent from the Company. However, for the avoidance of doubt, this will not include any reasonable service, compensation, rental, commission or other utility payments at normal market rates.

Provided, however, that in the event of Standard Life Investments holds 50% of the issued Share capital of the Company, all rights and privileges provided to the Standard Life Investments Directors pursuant to this Article 149(2) would be applicable to the HDFC Directors.

(xi) For any event such as acquisition of another company which would require the Company to raise equity capital, Standard Life Investments will be given early opportunity to be involved in the due diligence and regulation processes. Any new capital raised would be in strict proportion to the then current Shareholding or as mutually agreed between HDFC and Standard Life Investments.

POWERS OF THE BOARD OF DIRECTORS

158 Power of Directors

Subject to the applicable provisions of the Act, the Board shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; provided that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or in any other Applicable Law or in the Memorandum of Association of the Company or these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.

Provided that the Board shall not, except with the consent of the Company in such manner as may be prescribed under Applicable Law:

(1) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;

(2) remit, or give time for the repayment of any debt due by a Director;

(3) invests, otherwise than in trust securities, the amount of compensation received by the Company in respect of any merger or amalgamation; or

(4) borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Generally, the Board shall exercise its aforesaid powers in consonance with and not in contravention of Section 180 of the Act.

No regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

DIVIDEND

170 Division of Profits

The profits of the Company, subject to any special rights thereto created or authorised to be created by these Articles, and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid up on the Shares held by the them, respectively. Provided always that (subject as aforesaid) any capital paid upon a Share during the period in respect of which a dividend is declared shall unless the Board otherwise determines, entitle the holders of such Share only to an apportioned amount of such dividend from the date of payment.

171 Subject to the provisions of Section 123 of the Act, the Company, in General Meeting, may declare dividends to be paid to Members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend

172 Dividends to be paid only out of Profits

No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act, or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both; Provided that (a) if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying any dividend for any financial year provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years; (b) if the Company has incurred any loss in any previous financial year or years, the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of the Act or against both.

178 No Member to receive dividend whilst indebted to the Company and right of reimbursement thereof

No member shall be entitled to receive payment of any interest, dividend or bonus in respect of his Share whilst any monies may be due or owing from him to the Company in respect of such Share or otherwise, howsoever, either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any Member all such sums of money so due from him to the Company.

181 Unclaimed Dividend

Subject to the provisions of Section 123 of the Act, if the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted or sent within 30 days from the date of declaration to any Shareholder entitled to the payment of the dividend, the Company shall transfer the total amount of dividend which remain unpaid or unclaimed, within 7 days from the date of expiry of the said period of 30 days to a special account opened by the Company in that behalf in scheduled bank to be called the unpaid dividend account.

182 Dividend and Call together

Any General Meeting declaring a dividend may, on the recommendations of the Directors, 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 so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and Members, be set off against the call.

183 Subject to the provisions of Section 123 of the Act, any money so transferred to the unpaid dividend account of the Company, which remain unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, thereon to the fund established under section 125(1) of the Act, viz. Investor Education and Protection Fund.

184 No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

CAPITALISATION

185 (1) The Company in General meeting may, upon the recommendation of the Board, resolve-

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in Paragraph (2) below amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Paragraph (3) either in or towards-

(i) Paying up any amounts for the time being unpaid on any Shares held by such Members respectively;

(ii) Paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or

(iii) Partly in the way specified in sub- Paragraph (i) and partly in that specified in sub- Paragraph (ii)

(3) Share premium account and a capital redemption reserve account may, for the purposes of this regulation, only be applied in the paying up of unissued Shares to be issued to Members of the company as fully paid bonus Shares.

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(5) Whenever such a resolution as aforesaid shall have been passed, the Board shall

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and

(ii) generally, do all acts and things required to give effect thereto.

(6) The Board shall have full power-

(i) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or debentures becoming distributable in fractions; and also

(ii) to authorise 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 to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing Shares.

(7) Any agreement made under such authority shall be effective and binding on all such members.

WINDING UP

204 Subject to the provisions of the Act, the rules made thereunder, the Insolvency and Bankruptcy Code, 2016 and other Applicable Laws:

(1) 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 amongst 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.

(2) 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.

(3) 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 if he considers necessary, but so that no Member shall be compelled to accept any Shares or other Securities whereon there is any liability.

INDEMNITY AND RESPONSIBILITIES

205 Indemnity

(1) Subject to the provisions of the Act and any other Applicable Law, every Director, Managing Director, Whole-time Director, Secretary, Officer, servant, auditor of the Company or any other person employed by the Company shall be indemnified by the Company against, and it shall be the duty of Directors to pay out of the funds of the Company, all costs, charges, losses and expenses which any such Director, Managing Director, Whole-time Director, Secretary, Officer, servant, auditor or other person employed by the Company may incur or become liable to by reason of any contract entered into or act or thing done by him as such Officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Managing Director, Whole-time Director, Secretary, Officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

(2) None of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipt for the sake of conformity, or for any bankers or other person with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out or invested or for any other loss misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto, except the same shall happen by or through their own wilful neglect or default respectively.

PART B

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3 Authorised Share capital

The Authorised Share Capital of the Company shall be the amount set out at Clause V of the Memorandum of Association of the Company with power to increase or reduce or modify the said capital and to divide the Shares for the time being, of the Company, in to several classes as permissible in Applicable Law and to attach thereto respectively preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with these Articles and subject to Applicable Law for the time being in force, and to vary, modify, amalgamate or abrogate any such right, privilege or condition in such manner as may be provided for by the Articles and subject to Applicable Law for the time being in force.

4 Increase of Capital

The Company in General Meeting may, from time to time, by Ordinary Resolution increase the capital by the creation of new Shares, such increase to be of such aggregate amount and to be divided into Shares of such respective amounts as the resolution shall prescribe. The new Shares shall be issued upon such terms and conditions, and with such rights and privileges annexed thereto, as the General Meeting shall direct and if no direction be given, as the Board shall determine, and in particular, such Shares may be issued with preferential or qualified right as to dividends and in the distribution of the assets of the Company and with a right of voting at the General Meetings of the Company in conformity with Section 47 of the Act, or as equity Share capital with voting rights or with differential rights as to dividend, voting or otherwise in conformity with Section 43 of the Act.

5 Issue of Preference Share

The Company shall have the power to issue preference Shares, carrying a right of redemption out of the profits of the Company or out of the Securities premium account of the Company or out of the proceeds of a fresh issue of Shares made for the purposes of such redemption in accordance with and subject to the provisions of Section 55 of the Act; further the Register maintained under Section 88 of the Act shall contain the particulars in respect of such preference share holder(s).

7 Further Issue of capital

(1) Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further Shares, such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity Shares in the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date by sending a letter of offer subject to the following conditions, namely:

(i) such offer shall be made by a notice specifying the number of Shares offered and stipulating a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(ii) the offer aforesaid shall 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 (a) above shall contain a statement of this right; and

(iii) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given, that he declines to accept the Shares offered, the Board may dispose of such Shares in such manner which is most beneficial to the Company and not disadvantageous to the Members;

Provided that nothing in sub - Paragraph (iii) above shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) 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.

(2) Notwithstanding anything contained in Paragraph (1) above, the new Shares aforesaid may be offered to the employees of the Company under a scheme of employees' stock option or to any Persons, whether or not those Persons include the Persons who, at the date of the offer, are holders of the equity Shares of the Company or are employees of the Company, either for cash or for a consideration other than cash, if a requisite resolution to that effect is passed by the Company in general meeting.

(3) Notwithstanding anything contained in Paragraph (1) above, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in Paragraph (1) above) in any manner whatsoever:

(i) If a special resolution to that effect is passed by the Company in general meeting, or

(ii) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company

Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debentures issued by the company

(i) To convert such debentures or loans into shares in the Company; or

(ii) To subscribe for shares in the Company

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term

(i) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(ii) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the company in General Meeting before the issue of the loans.

8 In addition to and without derogating from the power conferred on the Board under Article 7 above, the company in General Meeting may, subject to the provision of the Act, determine that any Shares (whether forming part of the original capital or any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and condition and either (subject to compliance with the provisions of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any person/s (whether a Member or not) the option or right to call of or to be allotted Shares of any class of the Company either at a premium or at par or at discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting, or the Company in General Meeting may make any other provision whatsoever for the issue, allotment and disposal of any Shares.

9 Reduction of Capital

The Company may from time to time, subject to Members' approval and confirmation of the National Company Law Tribunal and subject to the provisions of Section 66 of the Act, reduce its capital, any capital redemption reserve account or Share premium account in any manner for the time being authorised by law, and and in particular without prejudice to the generality of the power, may –

(1) extinguish or reduce the liability on any of its Shares in respect of Share capital not paid up; or

(2) either with or without extinguishing or reducing the liability on any of its Shares, cancel any paid-up Share capital which is lost or is unrepresented by available assets or pay off any paid-up Share capital which is in excess of the wants of the Company,

(3) alter the Memorandum of Association of the Company by reducing the amount of its Share capital and of its Shares accordingly.

This Article shall not derogate from any power the Company would have if it were omitted.

10 Buy-Back of Securities

Notwithstanding anything contained in these Articles, the Company may purchase its own Shares or other specified securities subject to the provisions of Sections 68 of the Act and other applicable provisions of law as also subject to guidelines issued by the Securities and Exchange Board of India, as applicable.

12 Increase, sub-division and consolidation of Shares, conversion of Shares into stock and reconversion of stock into Shares

Subject to the provisions of Section 61 of the Act, the Company in General Meeting may, from time to time, by ordinary Resolution alter the Conditions of its Memorandum of Association so as to

(1) consolidate and divide all or any of its Share capital into Shares of larger amount than its existing Shares;

(2) convert all or any of its fully paid up Shares into stock, and reconvert that stock into fully paid up Shares of any denomination;

(3) sub-divide its Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association of this Company, 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 same as it was in the case of the Share from which the reduced Share is derived, and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such subdivision, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise, over, or as compared with, the others or other; and

(1) 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

Where Shares are converted into stock

(1) the holders of stock may transfer the same or any 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 thereto as circumstances admit:

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.

(2) the holders of stock shall, according to the amount of stock held by them, have the same rights, 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 upon an amount of stock which would not, if existing in Shares, have been conferred that privilege or advantage.

(3) such of the regulations of the Company as are applicable to paid-up Shares shall apply to stock and the words “Share” and “Shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

SHARES AND SHARE CERTIFICATES

15 Share under the control of Board

(1) Subject to any requirement of Applicable Law governing the issue and signatures to and sealing of certificate to Shares and the provisions of these Articles, the certificate of title to Shares (including any Shares forming part of any increased capital of the Company) shall be issued under the Seal of

the Company and shall bear the signature of two Directors duly authorised by the Board for the purpose or the committee of the Board, if so authorised by the Board; and the Secretary or any person authorised by the Board for the purpose; provided that, if the composition of the Board permits, at least one of the aforesaid two Directors shall be a person other than the managing or whole-time Director. Any certificate issued in accordance with the forgoing shall be prima facie evidence of the title of the Member to the Shares in question. Where the Shares are held in dematerialised form the record of the Depository shall be the prima facie evidence of the interest of the beneficial owner.

(2) The Director may sign a Share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography or digitally signed. Provided always that notwithstanding anything contained in this Article, the certificates of title to Shares may be executed and issued in accordance with such other provisions of the Act or the rules made thereunder, as may be in force for the time being and from time to time.

16 Member's right to certificate

Every member shall be entitled, free of charge, to one or more certificates in marketable lots for all the Shares of each class or denomination registered in his name. The Company shall complete and have ready for delivery such certificates, three months from the date of allotment, unless the terms of the issue provide otherwise, and within two months from the date of receipt of an application for registration of transfer, transmission, sub-division, consolidation or renewal of any of the certificates. Every certificate of Shares shall specify the number and the denoting number/numbers of the Shares in respect of which it was issued, and the amount paid up thereon. For each further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge in accordance with the provisions of Applicable Law.

Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

18 Dematerialisation of Shares

Notwithstanding anything contained in these Articles, the Company shall, in accordance with the provisions of the Depositories Act, 1996, be entitled to dematerialise or rematerialize its Securities and offer its Securities in dematerialised form.

19 Rights of Depository and beneficial Owner

(1) 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 Security on behalf of the beneficial owner.

(2) Save as otherwise provided in (a) above, the Depository, as the registered owner of the Securities, 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 in the records of the Depository shall be deemed to be a Member of the Company. The beneficial owner of the Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository.

CALLS AND INSTALMENTS

33 Calls

(1) The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the condition of allotment, by a duly passed resolution, make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares held by them respectively (whether

on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Each Member shall pay the amount of every call so made on him to the person, and the time and place appointed by the Board.

(2) A call may be revoked or postponed at the discretion of the Board.

(3) A call may be made payable by instalments.

(4) Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in a General Meeting.

34 Notice of Call

Not less than fourteen days' notice in writing of any call shall be given by the company specifying the time and place of payment, and the person or persons to whom such calls shall be paid.

35 A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

37 The board may, from time to time, at its discretion, extend the time fixed for the payment of any call, and may extend such time as to the payment of any call for any of the Members but no members shall be entitled to such extension save as a matter of grace and favour.

38 (1) If any Member fails to pay any call due from him on the date 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 such rate as shall, from time to time be fixed by the board.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

39 Sums deemed to be Calls

Any sum, which 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 purpose of these 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.

40 Proof of trial of suit for money due on Share

At the trial or hearing of any suit action or other proceeding brought by the company against any Member or his representative for the recovery of any money claimed to be due to the company in respect of his Shares, it shall be sufficient to prove:

(1) that the name of the Member, in respect of whose Shares the money is sought to be recovered, appears entered in the Register of Members as the holder or one of the holders in respect of which such debt accrued, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the Shares in respect of which such money is sought to be recovered;

(2) that the resolution making the call is duly recorded in the Minutes Books; and

(3) that the notice of such call was duly given to the Member or his representative sued in pursuance of these Articles and it shall not be necessary to prove the appointment of the director who made such call, nor that a quorum of Directors was present at the meeting of the Board at which any call was made, nor that the meeting at which any call was made duly convened or constituted nor any other matter whatsoever.

43 Members not entitled to privileges of membership until all calls paid

No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of Shares in the Company have been paid or in regard to which the Company has exercised any right of lien.

LIEN

44 (1) The Company shall have a first and paramount lien:

(a) upon all Shares (not being fully paid up Shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys including his debts, liabilities and engagement solely or jointly with any other person to or with the Company (whether presently payable or not) called or payable at a fixed time in respect of such Shares;

(b) on all Shares (not being fully paid Shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board, may at any time declare any Share to be wholly or in part exempt from the provisions of this Article.

(2) The Company's lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such Shares.

(3) Unless otherwise agreed, the registration of transfer of Shares shall operate as a waiver of the Company's lien, if any, on such Shares.

45 Enforcing lien by sale

(1) For the purpose of enforcing such lien as aforesaid, the Board may sell the Shares subject thereto in such manner as it shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such Member.

Provided that no such sale shall be made -

(i) Unless a sum in respect of which the lien exists is presently payable, or

(ii) Until the expiration of 14 (fourteen) 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 registered holder, for the time being, of the Share or the person entitled thereto on his death or insolvency.

(2) To give effect to any such sale, the Board may authorise some person to transfer the Shares sold to the purchaser thereof.

(3) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.

(4) The purchaser shall not be bound to see to the application of the purchase money, nor will the purchaser's title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

46 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 exist 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 person entitled to the Shares on the date of the sale.

FORFEITURE OF SHARES

47 If any Member fails to pay any call or instalment of a call, on or before the day appointed for the payment of the same or any such extension thereof, the Board of Director may, at any time thereafter during such time as the call or instalment remains unpaid, serve notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

48 Notice of Forfeiture

(1) The notice shall name a day (not being less than 14 (fourteen) days from the date of the notice) and a place or places on and at which such call or instalment and such interest thereon at such rate as may be determined by the Board as the Board shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid.

(2) The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, every or any Shares, in respect of which the call was made or instalment is payable, will be liable, at any time thereafter, but before payment on all calls or instalments, interest and expenses, due in respect thereof, to be forfeited by a resolution of the Board to that effect.

50 If the requirements of any deemed call as set out in Article 39 above shall not be complied with, every or any Share in respect of which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable by the company in respect of the forfeited Shares and not actually paid before the forfeiture.

51 Omission to give Notice not to invalidate forfeiture

When any Share shall have been so 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 nor neglect to give such notice or to make any such entry as aforesaid.

52 Forfeited Share to be the property of the Company

Any Share so forfeited shall be deemed to be the property of the Company, and may be sold or otherwise disposed of, either to the original holder thereof or to any other person; upon such terms and in such terms and in such manner as the Board shall think fit.

53 Liability of Members on forfeiture

(1) Any Member whose Shares have been forfeited shall not withstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand, all call, instalments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment at such rate, as the Board may determine and the Board may enforce the payment thereof, if it thinks fit, but shall not be under any obligation to do so.

(2) The liability of such person shall cease if and when the Company shall have received payment in full of all such money in respect of the Shares.

54 The forfeiture of a Share shall involve the extinction, at the time of the forfeiture, of all interest in and all claims and demands against the Company in respect of the Shares and all other rights incidental to the Shares, except only such of those rights as by these Articles are expressly saved.

55 Validity of Sale of Forfeiture

(1) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the Shares sold and may cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and purchaser shall not be bound to see the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person.

(2) Upon any such sale or other disposal under the above Paragraph, the certificate or certificates originally issued in respect of the Shares sold 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 new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

57 A declaration in writing that the declarant is a Director, the manager or the Company Secretary or such other person, of the Company, as may be authorised from time to time and that a certain Shares in the Company have been duly forfeited on the date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares.

58 The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of and the transfer shall thereupon be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share..

59 The provisions of the Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of the issue of a Share becomes payable at a fixed time, whether on account of the nominal value of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

60 The Shares or other interest of any member in the Company shall be movable property transferable in the manner provided under the Articles.

61 Execution of Transfer of Shares

No transfer of Securities of the Company, other than a transfer between two persons both of whose names are entered as holders of beneficial interest in the records of a Depository, shall be registered unless a proper instrument of transfer in such form as may be prescribed duly stamped, dated and executed by or on behalf of both the transferor and transferee and in the case of a Share held by two or more holders or to be transferred to the joint names of two or more transferees by all such joint holders or by all such joint transferees, as the case may be, and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company by the transferor or the transferee within a period of 60 (sixty) days from the date of execution along with the certificates relating to the Securities or if no such certificate is in existence, along with the letter of allotment of the Securities; provided the transferor shall be deemed to remain the holder of such Share until the name of the transferee is entered in the Register in respect thereof.

Provided that where the instrument of transfer has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnity as the Board may think fit.

62 Form and Notice of Transfer

The Company shall use a common form of transfer. The instrument of transfer of any Securities held in physical form shall be in writing in the prescribed form and in accordance with Section 56 of the Act. In case of transfer of Shares held in dematerialised form, the applicable provisions of the Depositories Act, 1996 shall apply.

63 In accordance with Section 58 of the Act, these Articles and other Applicable Law, if the Company refuses to register any such transfer of right, the Company shall, within 15 (fifteen) days from the date on which the instrument of transfer was delivered to the Company, send notice of the refusal to the transferee and the transferor

64 No transfer shall be made to a minor, an infant or person of unsound mind except where such person is represented by a guardian.

65 Every instrument of transfer duly executed and stamped shall be left at the Office of the Company within a period of 60 (sixty) days or such other period as may be prescribed, for registration accompanied by the certificate of the Securities to be transferred and such other evidence as the Company may require, to prove title for the transferor or his right to transfer the Shares. All instruments of transfer which shall be registered shall be retained by the Company but may be destroyed upon expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Directors may decline to register shall on demand, be returned to the person depositing the same.

67 Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the relative Share certificate(s) and such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and Regulations as the Board may, from time to time, prescribe and every registered instrument or transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.

68 Application for Transfer

An application of registration of a transfer of Shares in the Company may be made either by the transferor or the transferee.

69 Transfer of partly paid share when to be registered

(1) Where the application for registration of a transfer of Shares is made by the transferor and relates to partly paid Shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

(2) For the purpose of Paragraph (1) above, notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

71 In the case of death, insolvency, liquidation, dissolution or winding up of any one or more of the persons named in the Register of Members as the sole or joint holders of any Shares, the Company shall not be bound to recognise any person(s) other than the surviving or remaining holder/s.

72 Registration of persons entitled to shares otherwise than by transfer

Any person becoming entitled to Shares in consequence of death, insolvency, dissolution, winding up or liquidation of any Member, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board, which it shall be under no obligation to give, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or his title, as the Board thinks sufficient, be registered as the holder of the Shares subject to the provisions of the Act, and the Articles.

74 Title to Share of deceased holder

Except where a deceased member had made a nomination in respect of the Securities held (in which case such Securities shall be dealt with in the manner prescribed by the Act and the rules thereunder), the legal representative(s) of a deceased member shall be the only persons recognised by the Company as having any title to or interest in such Securities except in case of joint holders in which case the surviving holder or holders or the legal representatives of the last surviving holder shall be the only persons entitled to be so recognised; but nothing herein contained 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.

76 Persons entitled to receive dividend

A person, after becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would have been entitled to, if he were the registered holder of the Shares, except that he shall not, before being registered as a Member in respect of the Shares, be entitled to exercise any right conferred by Membership in relation to meetings of the Company or otherwise.

Provided that the Board may, at any time, give notice requiring any such person to elect either to have himself registered or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

78 Refusal to register transfer or transmission of Shares by Directors

Subject to the provision of the Act and these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may, whether in pursuance of any power of the Company under these Articles or otherwise, decline to register any transfer or transmission of Shares (notwithstanding that the proposed transferee or the beneficiary under transmission to be already a Member) but in such case it shall, within two months 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 to the transferee and the transferor, notice of the refusal to register such transfer or transmission.

Registration of a transmission shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever, except by way of a lien on the Shares.

80 Register of Transfer and Transmission

The Company shall keep a book, to be called the "Register of Transfer and Transmissions", and therein shall be fairly and distinctly entered particulars of every transfer and transmission of Shares.

82 Transfer of debentures etc.

The provisions of these Articles shall *mutatis mutandis* apply to the transfer of or the transmission by operation of law of the right to debentures or other securities of the Company.

MEETINGS OF MEMBERS

87 Annual General Meetings

(1) The Company shall in each year hold General Meeting as its Annual General Meeting which shall be held in accordance with Section 96 of the Act, in addition to any other Meeting in that year.

(2) Every Member of the Company shall be entitled to attend every General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as such Auditor. The proxy register with proxies and the register of Directors' Shareholdings shall remain open and accessible during the Meeting.

(3) At every Annual General Meeting, there shall be laid on the table the Director's Report and Audited Statement of Accounts, and the Auditors' Report (if not already incorporated in the audited Statement of Accounts).

(4) Where permitted or required by Applicable Law, the Board may, instead of calling a meeting of any members/ class of members/ Debenture holders, seek their assent by postal ballot, including electronic voting. Such postal ballot will comply with the provisions of Applicable Law in this behalf. The Company shall, subject to Applicable Law, be entitled to seek assent of members, class of members or any holders of other Securities using such use of contemporaneous methods of communication as is permitted by Applicable Law.

88 Extraordinary General Meetings

(1) All General meetings other than Annual General Meeting and the statutory meeting shall be called

Extraordinary Meetings.

(2) The Board may whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any one or more Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

92 (1) A General Meeting may be called by giving a notice of at least 21 (twenty-one) clear days either in writing or through electronic mode in such manner as may be prescribed in this regard from time to time, irrespective of who calls the meeting, specifying the day, place and hour of the Meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it was convened.

Provided that a General Meeting may be convened at a shorter notice than that of 21 days, if consent is accorded thereto in writing or by electronic mode by not less than 95% (ninety five percent) of the Members entitled to vote at such meeting,

(2) In case of an Annual General Meeting, any business other than (i) the consideration of the accounts, balance sheet and reports of the Board of Directors and Auditors, (ii) declaration of a dividend, (iii) the appointment of Directors in the place of those retiring, and (iv) the appointment of, and the fixing of the remuneration of, the Auditors shall be deemed special business. In case of any other Meeting, all business shall be deemed special business. In respect of all special business to be deliberated at a General Meeting, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of special business, including, in particular, the nature of the concern or interest, if any therein of (a) every Director and the manager, if any of the Company, (b) every other key managerial personnel as defined in the Act, and (c) relatives of any of the individuals mentioned at (a) and (b) and any other information and facts that may enable the members to understand the meaning, scope and implications of the items of business and to take a decision thereon.

(3) Where any such item of business relates to, or affects any other company, the extent of Shareholding interest in that other company of (a) every promoter (if any), Director and the Manager, if any, (b) of every other key managerial personnel (as defined in the Act) of the first mentioned Company, if the extent of such Shareholding interest is not less than 2% (two per cent) of the paid-up Share capital of that other company, shall also be set out in the statement.

(4) Where any item of business consists of according of approval to any document in the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

93 Notice of every meeting shall be given to every Member of the Company, legal representative of any deceased member or the assignee of an insolvent member, the Auditor or Auditors of the Company, every Director of the Company and to every trustee for the debenture holder of any debentures issued by the Company and, wherever applicable or so required, to other specified persons.

96 **Quorum of Meeting**

Where the number of Members is less than one thousand, five Members present in person shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting, unless the requisite quorum is present at the commencement of the business as well as while transacting the business. Where the number of Members is more than one thousand but less than or equal to five thousand, quorum shall be deemed constituted when fifteen Members are present in person for the duration of the meeting; and where the number of Members exceeds five thousand, quorum shall be deemed constituted when thirty Members are present in person for the duration of the meeting.

97 (1) If, at the expiration of half an hour from the time appointed for the Meeting, a quorum is not present, the Meeting, if convened by or upon the requisition of Members shall stand cancelled, but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine; provided notice thereof is issued in accordance with Section 103 of the Act.

(2) If, at such adjourned Meeting also a quorum is not present within half an hour from the time appointed for the Meeting, the Members present shall be a quorum, and may transact the business for which the Meeting was called.

98 Chairman of General Meeting

(1) The Chairman, if any, of the Board of Directors shall, if willing, preside as Chairman, at every General Meeting, whether Annual or Extra-ordinary.

(2) If there is no such Chairman, at any Meeting the Chairman shall not be present within fifteen minutes of the time appointed for holding such Meeting, or shall decline to take the Chair, then the Members present shall elect any other Directors as Chairman, and if no Director be present or if all the Directors present at the Meeting decline to take the chair, then the Members present shall elect one of their Member to be Chairman.

(3) If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with provisions of the Act and the Chairman elected on a show of hands shall continue to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll, and such other person shall be the Chairman for the rest of the meeting.

100 The Chairman, with the consent of the Meeting, may adjourn anyMeeting from time to time and from place to place but no business shall be transacted at any adjourned Meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

101 Questions of General Meeting how decided

At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman of the Meeting or by any Member or Members present in person or by proxy and holding Shares in the Company-

(1) which confer a power to vote on the Resolution not being less than one tenth of the total voting power in respect of Resolution, or

(2) on which an aggregate sum of not less than fifty thousand rupees has been paid up, and unless a poll is so demanded, a declaration by the Chairman that a Resolution has, on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the Resolution, that the Resolution has been carried.

102 In the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll, if any, have a casting vote in addition to the vote or votes to which he may be entitled as a Member.

103 Results of Voting

A declaration by the Chairman of the meeting of the passing of a resolution or otherwise by show of hands, that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the meeting of the Company, shall be conclusive evidence of the fact of passing of such resolution, or otherwise, without proof of the number or proportion of the votes cast in favour of or against such resolution.

111 Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

VOTE OF MEMBERS

112 Members in arrears not to vote

No Member shall be entitled to vote either personally or by proxy for another Member, at any General Meeting or at any Meeting of a class of Shareholder, either upon a show of hands, or upon a poll, in respect of any Shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien.

113 Number of Votes to which Member entitled

(1) Subject to the provisions of these Articles, and without prejudice to any special privileges or restrictions as to voting, for the time being, attached to any class of Shares, for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such Meeting, and on a show of hands every Member present in person shall have one vote and upon a poll every Member present in person or by proxy shall have the right to vote in proportion to his Share of the paid up equity capital of the Company, provided, however, if any preference Shareholder be present at any Meeting of the Company, save as otherwise provided in the Act, he shall have a right to vote only on Resolutions placed before the Meeting which directly affect the rights attached to his preference Shares.

(2) Such a person shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the Member company which he represents as that Member company could exercise.

114 Voting rights of Preference Shareholders

Except as conferred by Section 47 of the Act, the holders of Preference shares shall be entitled to be present at any meeting of the Company and have a right to vote only in respect of the following namely:-

(1) On every resolution placed before the Company at General Meeting, if the dividend due on a class of preference shares in respect of an aggregate period of not less than two years preceding the date of the commencement of the meeting remains unpaid.

(2) On a resolution for winding up the Company.

(3) On a resolution for the repayment or reduction of the Share capital.

(4) On a resolution which directly affects the rights attached to their Preference Shares.

115 Proxy

Subject to provisions of the Act and these presents, votes may be given either personally or by attorney duly authorized under power of attorney or by proxy or in case of a body corporate also by a representative duly authorized under Section 113 of the Actor by proxy of such representative of the body corporate.

116 (1) The instrument appointing a proxy shall (a) be in writing; and (b) be signed by the appointer or his attorney duly authorised in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or at an attorney duly authorised by it.

(2) The proxy so appointed shall not have any right to speak at the Meetings.

117 No Member present only by proxy shall be entitled to vote on a show of hands unless such member is present by attorney duly authorised under power of attorney. The representative of a body corporate appointed duly authorised under Section 113 of the Act, however, shall have a vote on a show of hands.

118 Any person entitled under the Articles relating to transmission of Shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such Share, provided that forty-eight (48) hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to transmission of such Shares, unless the Directors shall have previously admitted his right to transmission of such Shares or his right to vote at such meeting in respect thereof

119 A member who is of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy or is a minor, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

123 No objection shall be raised to the qualification of the voter or to the validity of any vote, except at the Meeting or at the adjourned Meeting or on a poll at which such vote shall be given or tendered, and every vote whether given personally or by proxy, not disallowed at such Meeting or adjourned Meeting or poll shall be deemed valid for all purposes of such Meeting or poll whatsoever.

124 The Chairman of any Meeting shall be the sole judge of the validity of every vote given or tendered at such Meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

125 Minutes of General Meeting and Inspection by Members

(1) The Company shall cause minutes of all proceedings of every General Meeting of any class of Shareholders or creditors, and every resolution passed by postal ballot, to be prepared and signed in accordance with the applicable provisions of the Act and other Applicable Law and to be kept for that purpose by making within thirty days of the conclusion of every such Meeting, entries thereof in books kept for that purpose with their pages consecutively numbered and the minutes shall contain and include the matters specified in Section 118 of the Act.

Explanation: For the purpose of this Article, “book” includes a binder containing loose leaves.

(2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each Meeting in such books shall be dated and signed by the Chairman of the same Meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within this period, by a Director duly authorised by the Board for the purpose.

(3) In no case the minutes of proceedings of a Meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The Minutes of each Meeting shall contain a fair and correct summary of the proceedings thereat.

(5) All appointments of Officers made at any of the Meetings aforesaid shall be included in the minutes of the Meeting.

(6) (i) Nothing herein contained shall require or be deemed to require the inclusion of any matter in any such minutes, which, in the opinion of the Chairman of the Meeting:-

(a) is, or could reasonably be regarded as, defamatory of any person;

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interests of the Company.

(ii) The Chairman of the Meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(7) Any such minutes shall be evidence of the proceedings recorded therein.

(8) (i) The books containing the minutes of the proceedings of any General Meeting shall be kept at the Office and shall be open, during business hours, to the inspection of any Member

without charge as provided in Section 119 of the Act. Any member shall be furnished with a copy of any minutes in accordance with the terms of that section.

(ii) A copy of the minutes of a general meeting shall be furnished to a member requesting the same, within 7 (seven) working days after such member has made a request to the Company upon the payment of a sum calculated at a rate not exceeding Rs. 10/- (Rupees ten only) per page or part of a page. Notwithstanding the foregoing, where a member has made a request for the provision of a soft copy in respect of any minutes of a previous general meeting held during the 3 financial years immediately preceding the request, then the same shall be supplied free of cost.

DIRECTORS

126 Number of Directors

(1) Until otherwise determined by the Company in a General Meeting and subject to the provisions of Section 149 and 151 of the Act and other Applicable Law, the total number of Directors shall neither be less than 3 (three) nor more than 15 (fifteen).

(2) The Company shall ensure that the appointment of Directors of the Company in General Meeting and their retirement shall be in accordance with the provisions of the Act.

127 (1) The provisions of this Article 127 shall be subject to and effective from the date of approval of the Shareholders, by passing a special resolution as stipulated in the Act to this effect in a general meeting, following the listing and trading of Shares on any recognized stock exchange pursuant to an initial public offering of Shares of the Company. Subject to applicable law, necessary approvals and these Articles, HDFC and/ or Standard Life Investments, as the case may be, shall have the right to nominate Directors on the Board subject to maintaining Shareholding in the Company as indicated below-

(2) In case of HDFC, it shall have the right to nominate to the Board:

(i) up to 4 (four) Director if its Shareholding in the Company is 40% or more of the paid-up equity Share capital of the Company at that time;

(ii) up to 3 (three) Directors if its Shareholding in the Company is equal to or more than 30% but less than 40% of the paid-up equity Share capital of the Company at that time;

(iii) up to 2 (two) Directors if its Shareholding in the Company is equal to or more than 20% but less than 30% of the paid up equity Share capital of the Company at that time; and

(iv) up to 1 (one) Director if its Shareholding in the Company is equal to or more than 10% but less than 20% of the paid up equity Share capital of the Company at that time.

(3) In case of Standard Life Investments, it shall have the right to nominate to the Board:

(i) up to 2 (two) Directors if its Shareholding in the Company is equal to or more than 20% of the paid-up equity Share capital of the Company at that time; and

(ii) up to 1 (one) Director if its Shareholding in the Company is equal to or more than 10% but less than 20% of the paid up equity Share capital of the Company at that time.

(4) It is clarified by way of abundant caution that neither HDFC nor Standard Life Investments shall, in the event of their respective Shareholding reducing to less than 10% of the paid-up equity Share capital of the Company at that time, have any right to nominate a Director on the Board, irrespective of whether such a right was previously exercisable.

(5) The Company may, at the Annual General Meeting at which a Director retires, fill up the vacated office by appointing the retiring Director or some other person thereto. If the place of the retiring Director is not so filled up and the Meeting has not expressly resolved not to fill the vacancy, the Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same

time and place, and if at the adjourned Meeting also, the place of the retiring Director is not filled up and that Meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned Meeting, unless:-

(i) at that Meeting or at the previous Meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;

(ii) the retiring Director has, by a notice in writing addressed to the Company or the Board of Directors, expressed his unwillingness to be so re-appointed;

(iii) he is not qualified or is disqualified for appointment; or

(iv) a resolution, whether Special or Ordinary, is required for his appointment by virtue of any provisions of the Act;

(6) The Company shall have such number of Independent Directors on the Board of the Company as may be required in terms of the provisions of Section 149 of the Act, SEBI Mutual Fund Regulations or any other Applicable Law and subject to provisions of SEBI Listing Regulations.

(7) HDFC or Standard Life Investments, as applicable, shall have the right, at their discretion, to nominate another person as a director in accordance with the provisions of this Article, in place of a director previously nominated by them.

Retirement by Rotation

(8) 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 the persons who became Directors on the same day, those who are to retire shall, in default of, and subject to any agreement among themselves, be determined by lot.

(9) A retiring Director shall be eligible for reappointment.

(10) Subject to the provisions of the Act, at the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.

(11) If the place of a retiring Director, retiring by rotation at a Meeting, is not filled up at such Meeting and that Meeting has not expressly resolved not to fill the vacancy, that Meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.

(12) If, at the adjourned Meeting also, the place of the retiring Director is not filled up, and that Meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have re-appointed at the adjourned Meeting unless

(i) at that Meeting or at the previous Meeting, a Resolution for the re-appointment of such Director has been put to the Meeting and lost;

(ii) the retiring Director has, by a notice in writing addressed to the Company or to the Board, expressed his unwillingness to be so re-appointed;

(iii) he is not qualified for appointment; or

(iv) Resolution, whether Special or Ordinary, is required for his appointment or re-appointment by virtue of any provisions of the Act; or

(v) Section 162 of the Act is applicable to the case.

129 Appointment of Alternate Director

(1) A Director may at any time after obtaining approval of the Trustee of the HDFC Mutual Fund and subject to the provisions of the Companies Act, 2013 appoint any other person to act as alternate Director at any meeting of the Board at which the Director is not present and may at any time revoke any such appointment. No person shall be appointed as an alternate Director for an independent

Director unless he is qualified to be appointed as an independent Director under the provisions of the Act.

(3) An alternate Director appointed under this Article shall vacate office if and when the Original Director returns to such State.

(3) If the term of office of the Original Director is determined before he so returns to that State, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director, and not to the alternate Director.

(4) An alternate Director shall not hold office as such for a longer period than that permissible to the Original Director in whose place he has been appointed.

130 Appointment of Additional Director

(1) Subject to the provisions of the Act, the Board of Directors shall have power at any time and from time to time, to appoint any person, as an additional Director, provided that the total number of Directors and additional Directors together shall not, at any time, exceed the maximum strength fixed for the Board by the Articles and/ or by the Members.

(2) Any person so appointed as an additional Director shall remain in office only up to the date of the next Annual General Meeting or the last date on which the annual General Meeting should have been held, whichever is earlier, but shall be eligible for the appointment at such Meeting subject to the provisions of the Act.

131 Filling of Casual Vacancy

(1) If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting causal vacancy may be filled by the Board at its meeting.

(2) Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

132 Disqualifications for appointment of Directors

A person shall not be eligible for appointment as a Director of the Company if he incurs any of the disqualification as set out in Section 164 and other relevant provisions of the Act. Further, on and after being appointed as the Director, the office of a Director shall *ipso facto* be vacated on the occurrence of any of the circumstances as set out under Section 167 and other relevant provision of the Act or other Applicable Law.

134 Appointment of Independent Directors

The Company shall have such number of Independent Directors on the Board of the Company as may be required in terms of the provisions of Section 149 of the Act or any other Applicable Law, subject to the provisions of the Mutual Funds Regulations and the Listing Regulations.

135 Appointment of Directors to be voted on individually

(1) At a General Meeting of the Company a motion shall not be made for the appointment of two or more persons as Directors by a single resolution, unless a resolution that it shall be so made has first been agreed to by Meeting without any vote being given against it.

(2) A Resolution moved in contravention of Paragraph (1) shall be void, whether or not objection was taken at the time of its being so moved.

Provided that where a resolution so moved is passed, no provision for automatic reappointment of the retiring director in default of another appointment shall apply, as herein before provided

(3) For the purpose of this Article, a motion for approving a person’s appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.

136 (1) Subject to the provisions of the Act and these Articles, a person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting, if he or some Member intending to propose him has, not less than fourteen days before the Meeting, left at the Office 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, as the case may be, along with the deposit of such sum as may be prescribed under the Act, which shall be refunded to such person, or as the case may be, to such a member, if the person either (a) succeeds in getting elected as a Director or (b) secures not less than 25% of the total valid votes cast, in his favour either by way of a show of hands or on a poll.

(2) The Company shall inform its Members of the Candidature of a person for the office of a Director or the intention of a Member to propose such person as a candidate for that office, by serving individual notices on the Members not less than seven days before the Meeting;

Provided that it shall not be necessary for the Company to serve individual notices upon the Members as aforesaid, if the Company advertise such candidature or intention, not less than seven days before the Meeting, in at least two newspapers circulating in the place where the Office of the Company is located, of which one is published in the English language and other in the regional language of that place.

(3) 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 as provided in the Act signifying his candidature for the office of Director) proposed as a candidate for the office of a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.

137 Filing of consent to act as Directors

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 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, his consent in writing to act as a Director, if appointed.

138 Remuneration of Directors

Each non-executive Director shall be paid a remuneration by way of fee for attending each meeting of the Board of Directors or Committee of the Board of Directors, of such sum as may be determined by the Board from time to time within the limits prescribed by the Act and the Rules framed thereunder.

140 Resignation of Directors

Subject to the provisions of the Act and these Articles, a Director may resign from his office at any time by giving notice in writing to the Company and the Board shall upon receipt of such notice, take note of the same and the Company shall intimate the same to the Registrar in such manner, within such time and in such form as may be prescribed under Applicable Law. The resigning Director and the Company shall take all such actions and make all such filings as may be prescribed under the Act and/or Applicable Law in relation to such resignation.

141 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.

Provided that the Director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

148 Removal of Directors

Subject to the provisions of Section 169 of the Act and these Articles, the Company may remove any Director before the expiration of his period of office and appoint another person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

PROCEEDINGS OF THE BOARD OF DIRECTORS

149 Chairman

Subject to Applicable Law, the Chairman of the Company shall be Mr. Deepak Parekh. Upon Mr. Deepak Parekh ceasing to be the Chairman of the Company for any reason whatsoever, subsequent Chairman shall be appointed by the Board, provided that HDFC shall have the right to nominate the candidate(s) for the position of Chairman while HDFC is the single largest Shareholder in the Company.

The Chairman of the Company shall be the Chairman at meetings of the Board.

If, at any meeting of the Board the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present shall elect one of their Members to be Chairman of such meeting.

150 Meeting of Directors

The Directors may meet together as a Board for the despatch of business, from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year and they may otherwise regulate their meetings as they think fit.

151 Notice of Meetings

Not less than 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery, or by post, or by electronic means.

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to at least one independent director, if any, remaining present for the entire duration of the meeting. In the event that it is not possible, for any reason, to ensure the presence of an independent director at a meeting of the Board convened at shorter notice, 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, if any.

A Director may and the Secretary on the requisition of a Director shall at any time summon a meeting of the Board.

152 Quorum

Subject to Section 174 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time) or two Directors whichever is higher; any fraction in that one-third being rounded off as one.

Provided, however, that where, at any time the number of interested Directors at any meeting exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors (i.e. 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 participation of the Directors by video-conference or by other audio-visual means shall (except for such matters as may be specified by Applicable Law as being matters which shall not be dealt with in a meeting through video conferencing or other audio-visual means) also shall be counted for the purposes of quorum.

156 Directors may appoint Committees

(1) The Board may (subject to the provisions of Section 179 of the Act and these Articles), delegate any of its powers to such committee of the Board consisting of such member(s) of the Board as it thinks fit. In addition, the Company shall constitute such Committees as may be required under the Act

and/or other Applicable Law.

(2) The Board may, from time to time, dissolve or discharge any such committee of the Board either wholly or in part and either as to persons of purposes, but every committee of the Board to be formed shall in the exercise of the powers so delegated conform to any regulations that may, from time to time, be imposed on it by the Board.

(3) HDFC will have right to nominate its nominee directors (or successors) as members of various Committees formed by the Board from time to time and Standard Life Investments will have the right to require nomination of the Standard Life Investments Director to (i) the Audit Committee, (ii) the Risk Committee and (iii) the Customer Services Committee, formed by the Board (or any other name by which these committees may subsequently be known, as a result of renaming of such Committees) from time to time.

(4) All acts done by any such committee of the Board in conformity with such regulations and in fulfilment of the purpose of their appointment, but not otherwise shall have the like effect as if done by the Board.

158 The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto, and are not superseded by any regulations made by the Directors under the last preceding article.

159 Resolution by Circulation

No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the committee, then in India, (not being less in number than the quorum fixed for a meeting of the Board or committee, as the case may be), and to all other Directors or members of the committee at their usual address in India and has been approved by such of the Directors or members of the committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution.

Provided that, where not less than 1/3rd (one third) of the total number of Directors require that any resolution under circulation must be decided at a meeting, the Chairman shall put such resolution, to be decided at a meeting of the Board or Committee, as the case may be.

161 Minutes of Proceedings of meeting of the Board

The Company shall prepare, circulate and maintain minutes of all proceedings of every meeting of the Board and of every committee of the Board in accordance with the Act, applicable secretarial standards and rules made thereunder and such minutes shall contain a fair and correct summary of proceedings conducted at each Board meeting

Explanation: For the purpose of this Article, “book” includes a binder containing loose leaves.

POWERS OF THE BOARD OF DIRECTORS

163 Subject to the applicable provisions of the Act, the Board shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; provided that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or in any other Applicable Law or in the Memorandum of Association of the Company or these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.

Provided that the Board shall not, except with the consent of the Company in such manner as may be prescribed under Applicable Law.

(1) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking;

(2) remit, or give time for the repayment of any debt due by a Director;

(3) invests, otherwise than in trust securities, the amount of compensation received by the Company in respect of any merger or amalgamation; or

(4) borrow moneys where the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

Generally, the Board shall exercise its aforesaid powers in consonance with and not in contravention of Section 180 of the Act.

No regulation made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

DIVIDENDS

174 Division of Profits

The profits of the Company, subject to any special rights thereto created or authorised to be created by these Articles, and subject to the provisions of these Articles, shall be divisible among the Members in proportion to the amount of capital paid up on the Shares held by them, respectively. Provided always that (subject as aforesaid) any capital paid upon a Share during the period in respect of which a dividend is declared shall unless the Board otherwise determines, entitle the holders of such Share only to an apportioned amount of such dividend from the date of payment.

175 Subject to the provisions of Section 123 of the Act, the Company, in General Meeting, may declare dividends to be paid to Members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend

176 Dividends to be paid only out of Profits

No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of the Act, or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both; Provided that (a) if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying any dividend for any financial year provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years; (b) if the Company has incurred any loss in any previous financial year or years, the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of the Act or against both.

182 No Member to receive dividend whilst indebted to the Company and right of reimbursement thereof

No member shall be entitled to receive payment of any interest, dividend or bonus in respect of his Share whilst any monies may be due or owing from him to the Company in respect of such Share or otherwise, howsoever, either alone or jointly with any other person or persons; and the Board may deduct from the interest or dividend payable to any Member all such sums of money so due from him to the Company.

185 Unclaimed Dividend

Subject to the provisions of Section 123 of the Act, if the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted or sent within 30 days from the date of declaration to any Shareholder entitled to the payment of the dividend, the Company shall transfer the total amount of dividend which remain unpaid or unclaimed, within 7 days from the date of expiry of the said period of 30 days to a special account opened by the Company in that behalf in scheduled bank to be called the unpaid dividend account.

Dividend and Call together

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Any General Meeting declaring a dividend may, on the recommendations of the Directors, 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 so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and Members, be set off against the call.

187 Subject to the provisions of Section 123 of the Act, any money so transferred to the unpaid dividend account of the Company, which remain unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company along with interest accrued, if any, thereon to the fund established under section 125(1) of the Act, viz. Investor Education and Protection Fund.

188 No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

CAPITALISATION

189 (1) The Company in General meeting may, upon the recommendation of the Board, resolve-

(i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account, or otherwise available for distribution; and

(ii) that such sum be accordingly set free for distribution in the manner specified in Paragraph (2) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Paragraph (3) either in or towards-

(i) Paying up any amounts for the time being unpaid on any Shares held by such Members respectively;

(ii) Paying up in full, unissued Shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or

(iii) Partly in the way specified in sub- Paragraph (i) and partly in that specified in sub-Paragraph (ii).

(3) A Share premium account and a capital redemption reserve account may, for the purposes of this regulation, only be applied in the paying up of unissued Shares to be issued to Members of the company as fully paid bonus Shares.

(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

(5) Whenever such a resolution as aforesaid shall have been passed, the Board shall

(i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and

(ii) generally, do all acts and things required to give effect thereto.

(6) The Board shall have full power-

(i) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or debentures becoming distributable in fractions; and also

(ii) to authorise 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 to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing Shares.

(7) Any agreement made under such authority shall be effective and binding on all such members.

WINDING UP/LIQUIDATION

207 Subject to the provisions of the Act, the rules made thereunder, the Insolvency and Bankruptcy Code, 2016 and other Applicable Laws:

(1) 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 amongst 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.

(2) 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.

(3) 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 if he considers necessary, but so that no Member shall be compelled to accept any shares or other Securities whereon there is any liability.

INDEMNITY AND RESPONSIBILITY

208 Indemnity

(1) Subject to the provisions of the Act and any other Applicable Law, every Director, Managing Director, Whole-time Director, Secretary, Officer, servant, auditor of the Company or any other person employed by the Company shall be indemnified by the Company against, and it shall be the duty of Directors to pay out of the funds of the Company, all costs, charges, losses and expenses

which any such Director, Managing Director, Whole-time Director, Secretary, Officer, servant, auditor or other person employed by the Company may incur or become liable to by reason of any contract entered into or act or thing done by him as such Officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Managing Director, Whole-time Director, Secretary, Officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

(2) None of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipt for the sake of conformity, or for any bankers or other person with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for the insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out or invested or for any other loss misfortune or damage which may happen in the execution of their respective offices or trusts or in relation thereto, except the same shall happen by or through their own wilful neglect or default respectively.

212 Use of name

(1) The name, mark or logo incorporating “HDFC”, used or to be used as a part of the corporate name and style of the Company or as a part of the corporate logo or materials used by the Company, shall be so used in accordance with the terms of the name licence agreements which may be entered into, at the discretion of HDFC and the Company.

(2) If, for any reason, HDFC (including any Associate of HDFC) ceases to be a shareholder in the Company and if HDFC so requests, the name of the Company shall be changed to one that does not include the name “HDFC” or anything similar to it. HDFC shall at all times have and retain the sole and unfettered right to the use of the “HDFC” name with all variations.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered into or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of the Red Herring Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, were available for inspection at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Offer Closing Date.

A. Material contracts for the Offer

1. Offer agreement dated March 14, 2018, amongst our Company, the Promoter Selling Shareholders and the BRLMs.

2. Agreement dated March 13, 2018 amongst our Company, the Promoter Selling Shareholders and the Registrar to the Offer.

3. Cash escrow agreement dated June 27, 2018 amongst our Company, the Promoter Selling Shareholders, the Syndicate, the Escrow Collection Bank(s), the Refund Bank(s), Public Offer Account Banks(s) and the Registrar to the Offer.

4. Share escrow agreement dated June 27, 2018 entered into amongst our Company, the Promoter Selling Shareholders and the Share Escrow Agent.

5. Syndicate agreement dated June 27, 2018 amongst our Company, the Promoter Selling Shareholders and the Syndicate.

6. Underwriting agreement dated July 28, 2018 amongst our Company, the Promoter Selling Shareholders and the Underwriters.

B. Other material contracts in relation to our Company

1. Shareholders' agreement dated June 10, 2003 entered into between HDFC and Standard Life Investments, as amended.

2. Termination agreement dated March 13, 2018 entered into between HDFC and Standard Life Investments.

3. Inter-se agreement dated March 13, 2018 entered into between HDFC and Standard Life Investments.

4. Service contract dated October 23, 2017 entered into between our Managing Director, Milind Barve and our Company.

C. Material documents

1. Certified copy of the Memorandum and Articles of Association, as amended till date and the certificate of incorporation of our Company dated December 10, 1999.

2. Certificate for commencement of business dated March 9, 2000.

3. Resolution of the Board dated November 30, 2017 approving the Offer.

4. Resolution of the IPO Committee dated March 13, 2018 approving the Offer.

5. Resolution of the IPO Committee dated March 13, 2018 approving the Draft Red Herring Prospectus.

6. Resolution of the IPO Committee dated July 13, 2018 approving the Red Herring Prospectus.

7. Resolutions of the committee of directors of HDFC dated November 30, 2017 and March 13, 2018 authorising the offer of up to 8,592,970 Equity Shares in the Offer.

8. Consent letter dated March 14, 2018 from HDFC consenting to the inclusion of up to 8,592,970 Equity Shares in the Offer.

9. Resolutions of the board of directors of Standard Life Investments dated October 10, 2017 and March 8, 2018 authorising the offer of up to 16,864,585 Equity Shares in the Offer.

10. Consent letter dated March 13, 2018 from Standard Life Investments consenting to the inclusion of up to 16,864,585 Equity Shares in the Offer.

11. The examination reports of the Auditors, B S R & Co. LLP, Chartered Accountants, dated June 15, 2018 on our Restated Financial Information included in this Prospectus.

12. The statement of tax benefits dated July 13, 2018 included in this Prospectus.

13. Copies of the annual reports of our Company for Fiscal 2018, Fiscal 2017, Fiscal 2016, Fiscal 2015 and Fiscal 2014.

14. Consents of our Directors, the BRLMs, Syndicate Members, if any, Legal Counsel to the Company as to Indian law, Legal Counsel to the BRLMs as to Indian law, Legal Counsel to the BRLMs as to international law, Legal Counsel to Promoter Selling Shareholders as to Indian Law, Registrar to the Offer, Escrow Collection Banks, Public Offer Bank(s), Refund Bank(s), Bankers to our Company, Company Secretary and Compliance Officer, and the Chief Financial Officer as referred to in their specific capacities.

15. Consents from our Statutory Auditor, namely, B S R & Co. LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include:

    (i) their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Prospectus;
    (ii) to include their examination reports on the Restated Financial Information dated June 15, 2018 and the Statement of Tax Benefits dated July 13, 2018 in this Prospectus; and
    (iii) to be named as an "Expert" as defined under Section 2(38) read with Section 26(5) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors of our Company and in respect of (a) their examination reports on the Restated Financial Information dated June 15, 2018 and (b) the Statement of Tax Benefits dated July 13, 2018, included in this Prospectus;

    A written consent under the provisions of the Companies Act. 2013 is different from a consent filed with the U.S. Securities and exchange Commission under Section 7 of the U.S. Securities Act which is applicable only to transactions involving securities registered under the U.S. Securities Act. The Equity Shares are proposed to be offered as a part of an initial public offering in India and the Equity Shares have not been and will not be registered under the U.S. Securities Act. The Statutory Auditors have not given consent under Section 7 of the U.S. Securities Act. In this regard, the Statutory Auditors have given consent to be referred to as "experts" in this Prospectus in accordance with the requirements of the Companies Act, 2013. The term "experts" as used in this Prospectus is different from those defined under the U.S. Securities Act which is applicable only to transactions involving securities registered under the Securities Act. The reference to Statutory Auditors as experts in this Prospectus is not made in the context of the U.S. Securities Act but solely in the context of this initial public offering in India.

16. Consent from CRISIL dated June 19, 2018 for inclusion of its name and the report, "Analysis of the mutual funds industry in India, April, 2018" in this Prospectus.

17. Crisil report titled, “Analysis of the mutual funds industry in India, April, 2018”.

18. In-principle listing approvals dated April 4, 2018 and March 27, 2018 from NSE and BSE, respectively.

19. Tripartite Agreement amongst NSDL, our Company and Registrar to the Offer, dated March 8, 2018.

20. Tripartite Agreement amongst CDSL, our Company and Registrar to the Offer, dated February 24, 2018.

21. Due diligence certificate dated March 14, 2018 to SEBI from the BRLMs.

22. Undertaking from our Company dated June 14, 2018 to SEBI.

23. Undertaking from HDFC dated June 14, 2018 to our Company.

24. Undertaking from SLI dated June 14, 2018 to our Company.

25. SEBI clarification emails dated April 13, 2018, April 25, 2018 and April 27, 2018.

26. SEBI observation letter dated June 22, 2018 and SEBI clarification email dated June 26, 2018.

27. Resolution of the IPO Committee dated July 28, 2018 approving this Prospectus.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with applicable laws.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government or the regulations or guidelines issued by SEBI, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made thereunder or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

Signed by the Directors

Name: DEEPAK PAREKH
Designation: NON-EXECUTIVE DIRECTOR & CHAIRMAN
DIN: 00009078

Name: KEKI MISTRY
Designation: NON-EXECUTIVE DIRECTOR
DIN: 00008886

Name: RENU SUD KARNAD
Designation: NON-EXECUTIVE DIRECTOR
DIN: 00008064

Name: HOSHANG BILLIMORIA
Designation: INDEPENDENT DIRECTOR
DIN: 00005003

Name: JAMES AIRD
Designation: NON-EXECUTIVE DIRECTOR
DIN: 01057384

Name: VIJAY MERCHANT
Designation: INDEPENDENT DIRECTOR
DIN: 01773227

Name: HUMAYUN DHANRAJGIR
Designation: INDEPENDENT DIRECTOR
DIN: 00004006

Name: RAJESHWAR BAJAAJ
Designation: INDEPENDENT DIRECTOR
DIN: 00419623

Name: P. M. THAMPI
Designation: INDEPENDENT DIRECTOR
DIN: 00114522

Name: DEEPAK PHATAK
Designation: INDEPENDENT DIRECTOR
DIN: 00046205

Name: MILIND BARVE
Designation: MANAGING DIRECTOR
DIN: 00087839

Signed by the Chief Financial Officer

Name: PIYUSH SURANA
Designation: CHIEF FINANCIAL OFFICER

Date: JULY 28, 2018

Place: Mumbai

Name: NORMAN KEITH SKEOCH
Designation: NON-EXECUTIVE DIRECTOR
DIN: 00165850

Date: JULY 28, 2018

Place: Edinburgh

DECLARATION BY HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

Housing Development Finance Corporation Limited certifies that all statements and undertakings made or confirmed by it in this Prospectus about or in relation to itself and the Equity Shares being offered by it by way of the Offer are true and correct.

Signed by Housing Development Finance Corporation Limited

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Authorised Signatory

Name: AJAY AGARWAL / SATRAJIT BHATTACHARYA

Date: JULY 28, 2018

Place: Mumbai

DECLARATION BY STANDARD LIFE INVESTMENTS LIMITED

Standard Life Investments Limited certifies that all statements and undertakings made or confirmed by it in this Prospectus about or in relation to itself and the Equity Shares being offered by it by way of the Offer are true and correct.

Signed by Standard Life Investments Limited

Authorised Signatory

Name: JAMES AIRD

Date: JULY 28, 2018

Place: Mumbai

ANNEXURE A

[*on the letterhead of an investor who is a U.S. Person or a person in the United States; to be executed after resale of the Equity Shares outside the United States which was not consummated on the BSE or the NSE; to be delivered to the Company prior to the settlement of any sale or other transfer of Shares*]

HDFC ASSET MANAGEMENT COMPANY LIMITED (the "**Company**")
HDFC House, 2nd floor, H.T. Parekh Marg, 165-166,
Backbay Reclamation, Churchgate,
Mumbai 400 020, Maharashtra, India.

Ladies and Gentlemen:

This letter ("**Resale Letter**") relates to the sale or other transfer by us of equity shares (the "**Shares**") of the Company, which is required to be in an offshore transaction pursuant to Regulation S ("**Regulation S**") under the Securities Act of 1933, as amended (the "**U.S. Securities Act**"). Terms used in this Resale Letter are used as defined in Regulation S, except as otherwise stated herein.

We hereby represent and warrant to you as follows:

(a) We previously purchased the Shares for our own account (or for one or more beneficial owners for which we have acted as fiduciary or agent, with complete investment discretion and with authority to bind each such person), as both a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act) and a "qualified purchaser" (as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended, and the rules thereunder (the "**U.S. Investment Company Act**"). We understand that the Shares have not been and will not be registered under the U.S. Securities Act and that the Company has not registered and will not register as an investment company under the U.S. Investment Company Act) .

(b) The offer and sale of the Shares by us was not made to a person in the United States or to a U.S. Person (as defined in Regulation S).

(c) Either:

(i) at the time the buy order for the sale of the Shares by us was originated, the buyer was outside the United States or we and any person acting on our behalf reasonably believed that the buyer was outside the United States; or

(ii) the transfer of the Shares by us was executed in, on or through the facilities of BSE Limited or National Stock Exchange of India Limited, and neither we nor any person acting on our behalf has reason to believe that the transaction was pre-arranged with a buyer in the United States.

(d) Neither we, nor any of our affiliates, nor any person acting on our or their behalf, has made any directed selling efforts (as such term is defined in Regulation S) in the United States with respect to the Equity Shares.

(e) The transfer of the Equity Shares by us was not and is not part of a plan or scheme to evade the registration requirements of the U.S. Securities Act or the U.S. Investment Company Act.

(f) None of the Company, any of its agents nor any of their respective affiliates participated in the sale of the Equity Shares by us.

(g) We agree that the Company, its agents and their respective affiliates may rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Where there are joint transferors, each must sign this US Resale Letter. A US Resale Letter of a corporation must be signed by an authorized officer or be completed otherwise in accordance with such corporation's constitution (and evidence of such authority may be required).

Yours sincerely,
(Name of Transferor)
By: Title:
Date: