(Please scan this QR code to view the RHP)

GHAR BANEGA, TOH DESH BANEGA.

AADHAR HOUSING FINANCE LIMITED

Corporate Identity Number: U66010KA1990PLC011409

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
2nd floor, No. 3, JVT Towers, 8th 'A', Main Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka, India	Unit No. 802, 8th Floor, Natraj by Rustomjee, Junction of Western Express Highway and M. V. Road, Andheri (East), Mumbai 400 069, Maharashtra, India	Harshada Pathak, Company Secretary and Compliance Officer	**Email:** complianceofficer@aadharhousing.com **Telephone:** +91 22 4168 9900	https://aadharhousing.com/

THE PROMOTER OF OUR COMPANY: BCP TOPCO VII PTE. LTD.

DETAILS OF THE OFFER TO THE PUBLIC

Type	Fresh Issue Size	Size of the Offer for Sale	Total Offer Size	Eligibility – 6(1) & Share Reservation among QIB, NII & RII
Fresh Issue and Offer for Sale	Fresh Issue of up to [●] Equity Shares of face value of ₹ 10 aggregating up to ₹10,000 million	An Offer for Sale of up to [●] Equity Shares of face value of ₹ 10 aggregating up to ₹20,000 million	Up to ₹30,000 million	This Offer is being made in terms of Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, ("**SEBI ICDR Regulations**"). For details in relation to share reservation among Qualified Institutional Buyers, Non-Institutional Bidders and Retail Individual Bidders see "*Offer Structure*" beginning on page 400

DETAILS OF OFFER FOR SALE

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*
BCP Topco VII Pte. Ltd.	Promoter Selling Shareholder	Up to [●] Equity Shares aggregating up to ₹20,000 million	80.54

* *As certified by S K Patodia & Associates LLP, by way of their certificate dated April 30, 2024.*

RISKS IN RELATION TO THE FIRST OFFER

The face value of each Equity Share is ₹10. The Floor Price, Cap Price and Offer Price determined by our Company, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated under "*Basis for Offer Price*" beginning on page 97 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares 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 the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 24.

ISSUER'S AND THE PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Promoter Selling Shareholder accepts responsibility for and confirms the statements expressly made by it in this Red Herring Prospectus to the extent of information specifically pertaining to them and the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING
The Equity Shares that will be offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges, being BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**"). For the purposes of the Offer, the Designated Stock Exchange shall be NSE.

BOOK RUNNING LEAD MANAGERS			
Names and Logos of the BRLMs		**Contact Person**	**E-mail and Telephone**
	ICICI Securities Limited	Shekher Asnani / Sumit Singh	**Tel**: +91 22 6807 7100 **E-mail:** aadharipo@icicisecurities.com
	Citigroup Global Markets India Private Limited	Dylan Fernandes	**Tel**: +91 22 6175 9999 **E-mail:** aadhar.ipo24@citi.com
	Kotak Mahindra Capital Company Limited	Ganesh Rane	**Tel:** +91 22 4336 0000 **E-mail:** aadhar.ipo@kotak.com
	Nomura Financial Advisory and Securities (India) Private Limited	Vishal Kanjani / Pradeep Tewani	**Tel**: +91 22 4037 4037 **E-mail:** aadharhfipo@nomura.com
	SBI Capital Markets Limited	Raghavendra Bhat /Vaibhav Shah	**Tel**: +91 22 4006 9807 **E-mail:** aadhar.ipo@sbicaps.com

REGISTRAR TO THE OFFER		
Name of the Registrar	**Contact Person**	**E-mail and Telephone**
KFin Technologies Limited (*formerly known as KFin Technologies Private Limited*)	M. Murali Krishna	**Tel**: +91 40 6716 2222 **E-mail:** ahfl.ipo@kfintech.com

BID/ OFFER PERIOD					
ANCHOR INVESTOR BID/ OFFER PERIOD PORTION OPENS ON*	**TUESDAY MAY 7, 2024**	**BID/ OFFER OPENS ON**	**WEDNESDAY MAY 8, 2024**	**BID/ OFFER CLOSES ON^**	**FRIDAY MAY 10, 2024**

* *Our Company may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

^ *The UPI Mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Date*

(Please scan this QR code to view the RHP)

RED HERRING PROSPECTUS
Dated April 30, 2024
Please read section 32 of the Companies Act, 2013
100% Book Built Offer

Aadhar Housing Finance Limited

Our Company was originally incorporated as 'Vysya Bank Housing Finance Limited' at Bengaluru, Karnataka as a public company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 26, 1990, issued by the Registrar of Companies, Karnataka at Bangalore ("**RoC**") and commenced operations pursuant to a certificate for commencement of business dated November 27, 1990, issued by the RoC. Subsequently, the name of our Company was changed to 'DHFL Vysya Housing Finance Limited' and a fresh certificate of incorporation dated October 15, 2003, was issued by the RoC. Separately, an entity named 'Aadhar Housing Finance Private Limited' ("**Pre-merger AHFPL**") was incorporated as a private limited company under the Companies Act, 1956, at Mumbai, Maharashtra pursuant to a certificate of incorporation dated May 3, 2010, issued by the Registrar of Companies, Maharashtra at Mumbai, which commenced its operations in February 2011. Pre-merger AHFPL was later converted into a public company and consequently, its name was changed to '*Aadhar Housing Finance Limited*', and a fresh certificate of incorporation dated September 3, 2013 was issued by the Registrar of Companies, Maharashtra at Mumbai. Pre-merger AHFPL was later merged into our Company pursuant to a scheme of amalgamation approved by the National Company Law Tribunal, Bengaluru Bench at Bengaluru, vide its order dated October 27, 2017 ("**Scheme of Amalgamation**"). Pursuant to the Scheme of Amalgamation, the name of our Company was changed to 'Aadhar Housing Finance Limited' and a fresh certificate of incorporation dated December 4, 2017, was issued by the RoC. For details in relation to the changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" beginning on page 190.

Registered Office: 2nd floor, No. 3, JVT Towers, 8th 'A', Main Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka, India
Corporate Office: Unit No. 802, 8th Floor, Natraj by Rustomjee, Junction of Western Express Highway and M. V. Road, Andheri (East), Mumbai 400 069, Maharashtra, India
Telephone: +91 22 4168 9900; **Contact Person**: Harshada Pathak., Company Secretary and Compliance Officer
E-mail: complianceofficer@aadharhousing.com; **Website**: https://aadharhousing.com/; **Corporate Identity Number**: U66010KA1990PLC011409

PROMOTER OF OUR COMPANY: BCP TOPCO VII PTE. LTD.

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF AADHAR HOUSING FINANCE LIMITED* ("COMPANY") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹30,000 MILLION COMPRISING A FRESH ISSUANCE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹10,000 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹20,000 MILLION BY BCP TOPCO VII PTE. LTD. ("PROMOTER SELLING SHAREHOLDER", AND SUCH EQUITY SHARES OFFERED BY THE PROMOTER SELLING SHAREHOLDER, THE "OFFERED SHARES") ("OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AGGREGATING UP TO ₹70 MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). OUR COMPANY, IN CONSULTATION WITH THE BRLMS MAY OFFER A DISCOUNT OF UP TO [●]% OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT") IF ANY, SUBJECT TO NECESSARY APPROVALS AS MAY BE REQUIRED. THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS "NET OFFER". THE OFFER AND NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 10 EACH. THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN ALL EDITIONS OF AN ENGLISH NATIONAL DAILY NEWSPAPER, FINANCIAL EXPRESS, ALL EDITIONS OF A HINDI NATIONAL DAILY NEWSPAPER, JANSATTA AND BENGALURU EDITIONS OF THE KANNADA DAILY NEWSPAPER, VISHWAVANI (KANNADA BEING THE REGIONAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

****THE TERM "AADHAR" USED IN THE NAME OF THE ISSUER, "AADHAR HOUSING FINANCE LIMITED" HAS NO RELATION OR CONNECTION WITH THE GOVERNMENT OF INDIA OR UNIQUE IDENTIFICATION AUTHORITY OF INDIA'S "AADHAAR" AND SHOULD NOT BE CONFUSED WITH THE SAME.***

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the Book Running Lead Managers, may for reasons to be recorded in writing, extend the

Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), other Designated Intermediaries and the Sponsor Banks, as applicable.

This Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, as amended. The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations and through a Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"). Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), out of which at least one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion, i.e., the "**Net QIB Portion)**". Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all 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 shall be available for allocation to Non-Institutional Bidders such that: (a) one-third of the portion available to Non-Institutional Bidders, shall be reserved for applicants with application size of more than ₹0.2 million and up to ₹1 million and (b) two-thirds of the portion available to Non-Institutional Bidders, shall be reserved for applicants with application size of more than ₹1 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("RIBs") in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders) which will be blocked by the SCSBs or the Sponsor Banks as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" beginning on page 404

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10. The Floor Price, Cap Price and Offer Price (determined and justified by our Company, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" beginning on page 97) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve 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 in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" beginning on page 24.

COMPANY'S AND PROMOTER SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Promoter Selling Shareholder accepts responsibility for and confirms only statements expressly made by it in this Red Herring Prospectus solely in relation to itself and the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. The Promoter Selling Shareholder assumes no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to our Company or in relation to our business in this Red Herring Prospectus.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated March 7, 2024. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A signed copy of this Red Herring Prospectus and the Prospectus shall be filed with the RoC for filing in accordance with Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 437.

BOOK RUNNING LEAD MANAGERS	REGISTRAR TO THE OFFER

(Please scan this QR code to view the RHP)

ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India **Tel:** +91 22 6807 7100 **E-mail:** aadharipo@icicisecurities.com **Investor Grievance E-mail:** customercare@icicisecurities.com **Website:** www.icicisecurities.com **Contact Person:** Shekher Asnani/ Sumit Singh **SEBI Registration No.:** INM000011179	**Citigroup Global Markets India Private Limited** 1202, 12th Floor, First International Financial Centre, G Block, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra – 400098 **Tel:** +91 22 6175 9999 **E-mail:** aadhar.ipo24@citi.com **Investor Grievance E-mail:** investors.cgmib@citi.com **Website:** www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm **Contact Person:** Dylan Fernandes **SEBI Registration No.:** INM000010718	**Kotak Mahindra Capital Company Limited** 1st Floor, 27 BKC, Plot No. C – 27, G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India **Tel:** +91 22 4336 0000 **E-mail:** aadhar.ipo@kotak.com **Website:** https://investmentbank.kotak.com **Investor Grievance ID:** kmccredressal@kotak.com **Contact Person:** Ganesh Rane **SEBI Registration Number:** INM000008704	**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 **Tel:** +91 22 4037 4037 **E-mail:** aadharhfipo@nomura.com **Investor Grievance E-mail:** investorgrievances-in@nomura.com **Website:** www.nomuraholdings.com/company/group/asia/india/index.html **Contact Person:** Vishal Kanjani / Pradeep Tewani **SEBI Registration No.:** INM000011419	**SBI Capital Markets Limited** Unit No. 1501, 15th floor, A & B Wing, Parinee Crescenzo Building, Plot C- 38, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051, Maharashtra, India **Tel:** +91 22 4006 9807 **E-mail:** aadhar.ipo@sbicaps.com **Investor Grievance E-mail:** investor.relations@sbicaps.com **Website:** www.sbicaps.com **Contact Person:** Raghavendra Bhat /Vaibhav Shah **SEBI Registration No.:** INM000003531	**KFin Technologies Limited** (*formerly known as KFin Technologies Private Limited*) Selenium Tower-B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India **Tel:** +91 40 6716 2222 **E-mail:** ahfl.ipo@kfintech.com **Investor Grievance E-mail:** einward.ris@kfintech.com **Website:** www.kfintech.com **Contact Person:** M. Murali Krishna **SEBI Registration No.:** INR000000221

BID/OFFER PROGRAMME	
BID/OFFER OPENS ON*	**WEDNESDAY MAY 8, 2024**
BID/OFFER CLOSES ON	**FRIDAY MAY 10, 2024**

* *Our Company may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.*

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TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies shall be to such legislations, acts, regulations, rules, guidelines, directions, or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

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

The terms not defined herein but used in "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "Basis of Offer Price", "Selected Statistical Information", "History and Certain Corporate Matters", "Our Group Companies", "Restated Consolidated Financial Information", "Outstanding Litigation and Material Developments", "Main Provisions of Articles of Association" and "Offer Procedure" beginning on pages 105, 118, 179, 97, 215, 190, 375, 237, 363, 424, and 404, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company", "the Company", "the Issuer" or "Aadhar Housing" or "Aadhar Housing Finance"	Aadhar Housing Finance Limited*, originally incorporated as 'Vysya Bank Housing Finance Limited' at Bengaluru, Karnataka as a public company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 26, 1990, issued by the RoC and having its registered office at 2nd floor, No. 3, JVT Towers, 8th 'A', Main Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka, India. For further details, see "*History and Certain Corporate Matters*" beginning on page 190. ***THE TERM "AADHAR" USED IN THE NAME OF THE ISSUER, "AADHAR HOUSING FINANCE LIMITED" HAS NO RELATION OR CONNECTION WITH THE GOVERNMENT OF INDIA OR UNIQUE IDENTIFICATION AUTHORITY OF INDIA'S "AADHAAR" AND SHOULD NOT BE CONFUSED WITH THE SAME***
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiary

Company Related Terms

Term	Description
Amended Majority SPA	Amendment agreement dated June 10, 2019 to the Majority SPA, entered into by and among our Company, WGCL, DHFL, Kapil Wadhawan, Dheeraj Wadhawan, Aruna Wadhawan, and our Promoter.
"Articles of Association" or "AoA" or "Articles"	Articles of association of our Company, as amended from time to time
Audit Committee	Audit committee of our Board, as described in "*Our Management - Committees of the Board*" on page 203
BCP Asia	BCP Asia (SG) Holdings Co. Pte. Ltd.
"BCP Topco" or "Promoter" or "Promoter Selling Shareholder"	BCP Topco VII Pte. Ltd., the promoter of our Company
Blackstone	The Blackstone Group Inc.
"Board" or "Board of Directors"	Board of Directors of our Company or a duly constituted committee thereof
Chairman	The Non-Executive Chairman of our Company, namely, Om Prakash Bhatt
CDO	The Chief Data Officer of our Company
"Chief Financial Officer" or "CFO"	Chief financial officer of our Company, namely, Rajesh Viswanathan
Committee(s)	Duly constituted committee(s) of our Board of Directors
Company Secretary and Compliance Officer	Company Secretary and Compliance officer of our Company, namely, Harshada Shashank Pathak
Corporate Office	Corporate office of our Company located at Unit No. 802, 8th Floor, Natraj by Rustomjee, Junction of Western Express Highway and M. V. Road, Andheri (East), Mumbai 400 069, Maharashtra, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Board, as described in "*Our Management - Committees of the Board*" on page 206
DHFL	Dewan Housing Finance Corporation Limited
Director(s)	Director(s) on the Board of our Company
Equity Shares	Unless otherwise stated, equity shares of our Company bearing face value of ₹ 10 each
Erstwhile Promoters	The erstwhile promoters of our Company, namely, WGCL, DHFL, Kapil Wadhawan, Dheeraj Rajeshkumar Wadhawan, and Aruna Wadhawan
Erstwhile ESAR 2018	The erstwhile Aadhar Housing Finance Limited - Equity Stock Appreciation Right Plan 2018, which has been amended and varied to the ESOP 2018, pursuant to the resolutions passed by our Board and our Shareholders on January 21, 2024 and January 24, 2024, respectively

Term	Description
ESOP 2018	The Aadhar Housing Finance Limited – Employees Stock Option Plan 2018
ESOP 2020	Employee Stock Option Plan 2020 of the Company
Executive Director(s)	Executive director(s) of our Company
Executive Vice Chairman	Executive vice chairman of our Company, namely, Deo Shankar Tripathi
IFC	International Finance Corporation
Independent Director(s)	Independent director(s) on our Board and eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, see "*Our Management*" beginning on page 196
IPO Committee	The IPO committee of our Board
"Joint Statutory Auditors" or "Statutory Auditors"	The joint statutory auditors of our Company, being Walker Chandiok & Co LLP, Chartered Accountants and Kirtane & Pandit LLP, Chartered Accountants
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, as described in "*Our Management - Key Managerial Personnel*" on page 209
Majority SPA	Share purchase agreement dated February 2, 2019 entered into by and among our Company, Wadhawan Global Capital Limited, Dewan Housing Finance Corporation Limited, Kapil Wadhawan, Dheeraj Wadhawan, Aruna Wadhawan, and our Promoter
Managing Director and Chief Executive Officer	Managing director and chief executive officer of our Company, namely, Rishi Anand
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended from time to time
"Nomination and Remuneration Committee" or "NRC Committee"	Nomination and remuneration committee of our Board, as described in "*Our Management - Committees of the Board*" on page 205
"Non-Executive (Nominee) Directors" or "Non-Executive Directors (Nominee)"	Non-executive (nominee) directors of our Company, namely, Amit Dixit, Mukesh Mehta and Prateek Roongta
Pre-merger AHFPL	The entity incorporated as 'Aadhar Housing Finance Private Limited' at Mumbai, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 3, 2010, issued by the Registrar of Companies, Maharashtra at Mumbai and which commenced its operations in February 2011. Aadhar Housing Finance Private Limited was later converted into a public company on September 3, 2013 and was merged into our Company in 2017 pursuant to a scheme of amalgamation approved by the National Company Law Tribunal, Bengaluru Bench at Bengaluru, vide its order dated October 27, 2017. For further details, see "*History and Certain Corporate Matters*" beginning on page 190.
Promoter Group	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "*Our Promoter and Promoter Group*" beginning on page 212
Registered Office	Registered office of our Company located at 2nd floor, No. 3, JVT Towers, 8th "A", Main Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Karnataka at Bangalore
Restated Consolidated Financial Information	Restated consolidated financial information of our Company as at and for the nine months ended December 31, 2023 and December 31, 2022 and as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, comprising the restated consolidated statement of assets and liabilities as at December 31, 2023 and December 31, 2022, and March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the nine months ended December 31, 2023 and December 31, 2022, and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, together with the consolidated summary statement of material accounting policies, and other explanatory information thereon, derived from the audited consolidated financial statements as at and for the nine months ended December 31, 2023 and December 31, 2022 and as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS read with relevant rules issued thereunder and restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, as approved by the Board of Directors of our Company at their meeting held on April 15, 2024, for the purpose of inclusion in this Red Herring Prospectus.
Risk Management Committee	The risk management committee of our Board, as described in "*Our Management - Committees of the Board*" on page 207
Scheme of Amalgamation	The scheme of amalgamation approved by the National Company Law Tribunal, Bengaluru Bench at Bengaluru, vide its order dated October 27, 2017, pursuant to which Erstwhile Aadhar was merged into our Company
"Senior Management" or "Senior Management Personnel"	Senior management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in "*Our Management – Senior Management*" on page 209.
Shareholder(s)	Equity shareholder(s) of our Company from time to time
Singapore VII Holding	Singapore VII Holding Co. Pte. Ltd
SPAs	Collectively, the Majority SPA, the Amended Majority SPA, the share sale agreement dated March 19, 2019 entered into by and among our Company, our Promoter and IFC, share purchase agreements dated June 12, 2019 and February 24, 2020, respectively, entered into by and among our Company, our

Term	Description
	Promoter, and certain shareholders of our Company, and share purchase agreement dated July 3, 2019, entered into by and among our Company, our Promoter, and Ramco Industries Limited
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board, as described in "*Our Management - Committees of the Board*" on page 205
"Subsidiary" or "ASSPL"	The wholly owned subsidiary of our Company, namely, Aadhar Sales and Services Private Limited
WGCL	Wadhawan Global Capital Limited

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document to be issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment (in case of the Fresh Issue) or transfer (in case of the Offer for Sale), of the Equity Shares pursuant to the Offer to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment, sent to all the Bidders who have made Bids for 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 in the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors during the Anchor Investor Bid/Offer Period in terms of this Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The application 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 this Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/Offer Opening Date i.e., Tuesday, May 7, 2024, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be determined by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion or up to [●] Equity Shares which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder in which the Bid Amount is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Bankers to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Bank and Sponsor Banks
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer. For details, see "*Offer Procedure*" beginning on page 404
Bid	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, as permitted under the SEBI ICDR Regulations and in terms of this Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid.

Term	Description
	Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-Off Price and the Bid Amount shall be Cap Price (net of the Employee Discount, if any), multiplied by the number of Equity Shares Bid by such Eligible Employee and mentioned in the Bid cum Application Form. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹500,000 (net of the Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of the Employee Discount, if any). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000 (net of the Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of the Employee Discount, if any)
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being Friday, May 10, 2024 which shall be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Vishwavani, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation. In case of any revision, the revised Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Banks, which shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being Wednesday, May 8, 2024 which shall be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and Bengaluru edition of Vishwavani, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation
Bid/Offer Period	Except in relation to Bids received from the Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of this Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors
“Bidder” or “Applicant”	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the 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	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
“Book Running Lead Managers” or “BRLMs”	The book running lead managers to the Offer namely, I-Sec, Citi, Kotak, Nomura, and SBICAPS
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Banks Agreement	The agreement dated April 30, 2024 entered into amongst our Company, the Promoter Selling Shareholder, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Citi	Citigroup Global Markets India Private Limited
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act and registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time and the UPI Circulars

Term	Description
"Confirmation of Allocation Note" or "CAN"	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Offer Period
CRISIL	CRISIL Limited
CRISIL Report	The report titled "Industry report on housing finance focused on low income housing segment" dated April 2024 prepared by CRISIL, which has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated November 20, 2023, exclusively for the purposes of the Offer. The CRISIL Report is available on the website of our Company at https://aadharhousing.com/investor-relations/offer-documents
Cut-off Price	The Offer Price finalised by our Company, in consultation with the Book Running Lead Managers which shall be any price within the Price Band. Only RIBs Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price (net of Employee Discount). QIBs (including Anchor Investors) and NIBs are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidders' address, name of the Bidders' father or husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Accounts to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidder using UPI Mechanism, instruction issued through the Sponsor Banks for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of this Red Herring Prospectus and the Prospectus, following which the Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the Syndicate Members, sub-syndicate or agents, SCSBs (other than in relation to UPI Bidders using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by RIBs Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, Sub-Syndicate Members/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and NIBs (not using UPI Mechanism), Designated Intermediaries shall mean Syndicate, Sub-Syndicate Members/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
Designated RTA Locations	Such locations of the RTAs where Bidders (except Anchor Investors) can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the 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), as updated from time to time
Designated Stock Exchange	NSE
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated January 31, 2024 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer.
Eligible Employee(s)	All or any of the following: (a) a permanent employee of our Company and our Subsidiary (excluding such employees who are not eligible to invest in the Offer under applicable laws) as of the date of filing of this Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company, until the submission of the Bid cum Application Form; and (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of this Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form, but not including Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000 (net of the Employee Discount, if any). However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000 (net of Employee Discount, if any). Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any), subject to the

Term	Description
	maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of the Employee Discount, if any)
Eligible FPI(s)	FPI(s) from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules, 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 this Red Herring Prospectus will constitute an invitation to subscribe to or purchase the Equity Shares
Employee Discount	Our Company may, in consultation with the BRLMs, offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares, aggregating up to ₹70 million available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer Equity Share capital of the Company
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank and in whose favour the Bidders (excluding the ASBA Bidders) will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s), which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being, Axis Bank Limited.
"First Bidder" or "Sole Bidder"	The Bidder whose name shall be mentioned 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, subject to any revision thereto, not being less than the face value of the Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [●] Equity Shares aggregating up to ₹10,000 million by our Company
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
"General Information Document" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
Gross Proceeds	The gross proceeds of the Fresh Issue which will be available to our Company
I-Sec	ICICI Securities Limited
Kotak	Kotak Mahindra Capital Company Limited
Monitoring Agency	ICRA Limited
Monitoring Agency Agreement	The agreement dated April 30, 2024 entered into between our Company and the Monitoring Agency
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Offer	The Offer less than Employee Reservation Portion
Net Proceeds	Proceeds from the Fresh Issue less our Company's share of the Offer expenses. For further details, see "*Objects of the Offer*" beginning on page 91
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
"Non-Institutional Bidders" or "NIBs"	All Bidders 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)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA Rules
Offer	The initial public offer of up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹30,000 million, comprising the Fresh Issue and the Offer for Sale. The Offer comprises the Net Offer and the Employee Reservation Portion.
Offer Agreement	The offer agreement dated January 31, 2024, as amended pursuant to the amendment agreement dated April 22, 2024, entered into amongst our Company, the Promoter Selling Shareholder and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	Offer for Sale of up to [●] Equity Shares aggregating up to ₹20,000 million by the Promoter Selling Shareholder
Offer Price	The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of this Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company, in consultation with the BRLMs

Term	Description
	in terms of this Red Herring Prospectus and the Prospectus. The Offer Price and Employee Discount, if any will be decided by our Company, in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and this Red Herring Prospectus.
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Promoter Selling Shareholder. For further details on the use of Offer Proceeds from the Fresh Issue, see "*Objects of the Offer*" beginning on page 91
Offered Shares	Up to [●] Equity Shares aggregating up to ₹20,000 million offered by the Promoter Selling Shareholder in the Offer for Sale
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the Book Running Lead Managers and will be advertised in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Jansatta and Bengaluru editions of the Kannada daily newspaper, Vishwavani (Kannada being the regional language of Karnataka, where our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be available to the Stock Exchanges for the purpose of uploading on their respective websites.
Pricing Date	The date on which our Company, in consultation with the Book Running Lead Managers, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act and the SEBI 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. The prospectus together with the final offering memorandum shall constitute the Prospectus for the purpose of distribution outside India.
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened, in accordance with Section 40(3) of the Companies Act with the Public Offer Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
Public Offer Account Bank	Bank(s) which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being Kotak Mahindra Bank Limited.
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
"Qualified Institutional Buyers" or "QIB(s)" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	This red herring prospectus dated April 30, 2024 issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI 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. The red herring prospectus together with the preliminary offering memorandum dated April 30, 2024 shall constitute the Red Herring Prospectus for the purpose of distribution outside India. The Bid/Offer Opening Date shall be at least three Working Days after the registration of this Red Herring Prospectus with the RoC. This Red Herring Prospectus will become the Prospectus upon filing with the RoC on or after the Pricing Date
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank	The Banker to the Offer which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Refund Account(s) will be opened and in this case being, Axis Bank Limited.
Registered Brokers	The stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids from relevant Bidders in terms of SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The registrar agreement dated January 31, 2024 entered into between our Company, the Promoter Selling Shareholder and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited (formerly known as KFin Technologies Private Limited)
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, whose Bid Amount for the Equity Shares is not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their karta) and Eligible NRIs
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer comprising [●] Equity Shares, which shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding

Term	Description
	in the Employee Reservation Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
RTAs or Registrar and Share Transfer Agents	The registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com
SBICAPS	SBI Capital Markets Limited
SEBI SCORES	Securities Exchange Board of India Complaints Redressal System
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services: (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable and updated from time to time and at such other websites as may be prescribed by SEBI from time to time; and (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism, which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement namely, KFin Technologies Limited
Share Escrow Agreement	The share escrow agreement dated April 30, 2024 entered into between our Company, the Promoter Selling Shareholder and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Promoter Selling Shareholder and credit of such Equity Shares to the demat accounts of the Allottees in accordance with the Basis of Allotment
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Banks	Axis Bank Limited and Kotak Mahindra Bank Limited, being a Banker to the Offer registered with SEBI, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the UPI Bidders using the UPI Mechanism, in terms of the UPI Circulars
Syndicate Agreement	The syndicate agreement dated April 30, 2024 entered into between our Company, the Promoter Selling Shareholder, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	The intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely Investec Capital Services (India) Private Limited, SBICAP Securities Limited and Kotak Securities Limited.
"Syndicate" or "Members of the Syndicate"	The Book Running Lead Managers and the Syndicate Members
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Managers and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Underwriters	[●]
Underwriting Agreement	The underwriting agreement to be entered into between our Company, the Promoter Selling Shareholder and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidder(s)	Collectively, individual investors applying as (i) RIBs in the Retail Portion, (ii) Eligible Employees in the Employee Reservation Portion; and (iii) NIBs with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and RTAs. Pursuant to circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use the UPI Mechanism and shall provide their UPI ID in the Bid cum Application Form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number

Term	Description
	SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI RTA Master Circular (to the extent it pertains to UPI), SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Banks to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
UPI Pin	Password to authenticate UPI transaction
“Wilful Defaulter” or “Fraudulent Borrower”	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI, including the UPI Circulars

Technical, Industry Related Terms or Abbreviations

Term	Description
Asset Under Management (AUM or Gross AUM)	Represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.
Average cost of borrowings (%)	Average cost of borrowings is the simple average of finance cost outstanding at the first and last day of the financial year.
Average yield on Loan Book (%)	Average yield on Loan Book is calculated as interest income on loans and advances divided by the average gross loan book.
CLM	Co-lending model
Cost to Income Ratio (%)	Cost to income ratio (%) is calculated as operating expenses to total income minus finance cost
CRWAR (%)	CRWAR (Capital to Risk Weighted Assets Ratio) is calculated as Tier I and II capital divided by weighted average of funded and non-funded items after applying risk weights as assigned by RBI
Debt to Net worth ratio	Debt to Net Worth Ratio is calculated as the ratio of total borrowings to net worth as on the last day of the relevant period.
Disbursements	Represent the aggregate of all loan amounts extended to our customers in the relevant year or period.
Gross NPA to AUM (%)	Gross NPA to AUM is calculated as the ratio of Gross NPA to AUM as on the last date of the relevant period.
Net NPA to AUM (%)	Net NPA to AUM is calculated as the ratio of Net NPA to AUM as on the last date of the relevant period.
Net worth	Net worth includes equity share capital plus other equity excluding capital reserve on amalgamation
Number of branches	Number of branches represents aggregate number of branches of our Company as of the last day of relevant period.
Number of States	Number of states represents aggregate number of states of our Company as of the last day of relevant period.
Operating Expenses / Average Total Assets (%)	Operating Expenses / Average Total Assets (%) is the ratio of operating expenses to average total assets
Own Book	Represents the principal portion of our Company’s loan assets
Profit After Tax	Profit after tax represents Profit After Tax for the relevant year or period attributable to the shareholders of our Company.
Retail AUM	The aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by our Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of securitization or assignment or co-lending and are outstanding as of the last day of the relevant year or period

Term	Description
Return on Equity (%)	Return on Equity (%) is calculated as profit after tax divided by average total equity
Return on Total Assets (%)	Return on Total Assets (%) is calculated as profit after tax divided by average total assets
Spread (%)	Spread is calculated as average yield on loan book minus average cost of borrowings including assignment
Subordinated liabilities	Represents the unsecured redeemable non-convertible debentures.

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
AGM	Annual general meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
ALM	Asset Liability Management
"AS" or "Accounting Standards"	Accounting standards issued by the ICAI
AUM	Asset under the Company's management
"Bn" or "bn"	Billion
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CERSAI	Central Registry of Securitisation Asset Reconstruction and Security Interest
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identity Number
Civil Code	Code of Civil Procedure, 1908
Companies Act	Companies Act, 2013, as applicable, along with the relevant rules made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated the October 15, 2020, effective from October 15, 2020
CRM	Customer relationship management
CSR	Corporate Social Responsibility
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
DPDP Act	Digital Personal Data Protection Act, 2023
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
DTD	Debenture Trust Deeds
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation and exceptional items
ECB Master Directions	Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019 issued by the RBI
EGM	Extraordinary general meeting
EMI	Equated monthly instalments
EPF	Employees' provident fund
EPFO	Employees' Provident Fund Organisation
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General anti-avoidance rules
Gazette	Official Gazette of India
GDP	Gross domestic product
"GoI" or "Government" or "Central Government"	Government of India
Gross Retail NPA	Represents closing balance of the Gross NPA of our Retail AUM as of the last day of the relevant year or period
GST	Goods and services tax

Term	Description
HFC	Housing finance company, in terms of the RBI Master Directions - HFC
IBC	The Insolvency and Bankruptcy Code, 2016
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Indian Penal Code	The Indian Penal Code, 1860
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IST	Indian Standard Time
IT	Information Technology
KYC	Know Your Customer
LTV	Loan to value
MCA	Ministry of Corporate Affairs, Government of India
MCA Portal	The official portal of the Ministry of Corporate Affairs located at www.mca.gov.in
“Mn” or “mn”	Million
MoHUPA	Ministry of Housing and Urban Poverty Alleviation
NACH	National Automated Clearing House
National Investment Fund	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
NAV	Net Asset Value
NBFC	Non-Banking Financial Company
NBFC-ND-SI Directions	Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
NCD	Non-convertible debenture
NCLT Bengaluru	National Company Law Tribunal, Bengaluru Bench at Bengaluru
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
Net Retail NPA	Represents closing balance of the Net NPA of our Retail AUM as of the last day of the relevant year or period.
NHB	National Housing Bank
NHB Act	The National Housing Bank Act, 1987
NHB Act Amendments	Amendments to the NHB Act included in the Finance (No. 2) Act, 2019
NHB Directions	Master Circular - Housing Finance Companies (NHB) Directions, 2010 dated July 1, 2019
NHB NCD Directions	Master Circular - Housing Finance Companies issuance of Non-Convertible Debentures on private placement basis (NHB) Directions, 2014 dated July 1, 2019
NNPA	Net non-performing asset
NOF	Net owned funds
NPA	Non-performing assets, and in relation to the RBI Master Directions - HFC, shall have the meaning ascribed to it in the RBI Master Directions - HFC
NPCI	National Payments Corporation of India
NR	Non-Resident
NRE	Non-Residential External
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO	Non-Resident Ordinary
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 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. OCBs are not allowed to invest in the Offer
ODI	Off-shore Derivate Instruments
p.a.	Per annum
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PMLA	Prevention of Money Laundering Act, 2002
PSL	Priority Sector Lending
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934
RBI Master Circular	Master Circular – Requirement for Obtaining Prior Approval of RBI in Cases of Acquisition / Transfer of Control of NBFCs (DNBR (PD) CC.No.061/03.10.119/2015-16) dated July 1, 2015 (as amended up to August 4, 2015)

Term	Description
RBI Master Directions	Master Direction (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (updated as on November 10, 2023)
RBI Master Directions – HFC	Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021
Regulation S	Regulation S under the U.S. Securities Act
ROE	Return on equity
RoNW	Average Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
“SARFAESI Act” or “SARFAESI”	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SBI	State Bank of India
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
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI ICDR Master Circular	SEBI master circular bearing number SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI RTA Master Circular	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Stamp Act	The Indian Stamp Act, 1899
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction account number
TCS	Tata Consultancy Services Limited
TDS	Tax deductible at source
Trademarks Act	Trade Marks Act, 1999
U.S. Securities Act	U.S. Securities Act of 1933
“U.S.” or “USA” or “United States”	United States of America
“USD” or “US$”	United States Dollars
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
VPN	Virtual private network

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Offer Procedure", "Outstanding Litigation and Material Developments" and "Main Provisions of Articles of Association" beginning on pages 24, 59, 74, 91, 118, 151, 404, 363 and 424, respectively.

Primary Business of our Company

According to CRISIL, we are a housing finance company focused on the low-income housing segment (ticket size less than ₹1.5 million) in India and we had the highest asset under management and net worth among our analyzed peers in FY2021, FY2022, FY2023 and nine months ended December 31, 2022 and December 31, 2023. We offer a range of mortgage-related loan products. We have an extensive network of 487 branches* including 109 sales offices, as of December 31, 2023. Our branches, sales offices, regional and corporate offices, including Registered Office and Corporate Office, are located on leased or licensed premises.

** The number of branches does not include regional offices and corporate offices.*

Industry in which our Company operates

The overall size of the housing finance market focusing on low income housing loans in India was around ₹ 4.4 trillion as of December 2023, constituting for around 14% of the overall housing finance market, as per CIBIL data. CRISIL MI&A expects the industry to pick up steam gradually and the loans outstanding in housing finance focused on low income housing segment to touch ₹ 5.4-5.7 trillion by March 2026, translating into an 8-10% CAGR between Fiscals 2023 and 2026.

Our Promoter

Our Promoter is BCP Topco VII Pte. Ltd. For details, see "*Our Promoter and Promoter Group*" beginning on page 212.

Offer Size

Offer(1)	Up to [●] Equity Shares aggregating up to ₹30,000 million
of which	
Fresh Issue(1)	Up to [●] Equity Shares aggregating up to ₹10,000 million
Offer for Sale(2)	Up to [●] Equity Shares aggregating up to ₹20,000 million by the Promoter Selling Shareholder
Employee Reservation Portion(3)	Up to [●] Equity Shares
Net Offer	Up to [●] Equity Shares aggregating to ₹ [●] million

(1) The Fresh Issue has been authorized by the resolutions of our Board of Directors and our IPO Committee at their meetings held on January 21, 2024 and January 31, 2024, and a special resolution passed by our shareholders at their meeting held on January 24, 2024.

(2) The Promoter Selling Shareholder has confirmed and authorized participation in the Offer for Sale by a consent letter dated April 22, 2024 and a resolution of its board of directors at their meeting held on January 31, 2024. For further details, see "Other Regulatory and Statutory Disclosures" beginning on page 376.

(3) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹500,000), shall be added to the Net Offer. For further details, see "Offer Structure" beginning on page 400.

The Offer and Net Offer shall constitute [●]% and [●]% of the post Offer paid up Equity Share capital of our Company, respectively. For further details, see "*The Offer*" and "*Offer Structure*" beginning on pages 59 and 400, respectively.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards the following objects:

Particulars	Amount (₹ in million)
To meet future capital requirements towards onward lending	7,500
General Corporate Purposes	[●](1)
Estimated Offer related expenses in relation to the Fresh Issue to be borne by the Company	[●](1)(2)
Total	**[●]**

1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.
2) For details, see "Objects of the Offer – Offer Expenses" on page 93.

For details, see "*Objects of the Offer*" beginning on page 91.

Aggregate Pre-Offer Shareholding of our Promoter (also the Promoter Selling Shareholder) and the Promoter Group

Name of Shareholder	No. of Equity Shares	% of total paid up Equity Share capital
Promoter Selling Shareholder		
BCP Topco	389,683,420	98.72

None of the members of our Promoter Group hold any Equity Shares as on the date of this Red Herring Prospectus.

Summary of Restated Consolidated Financial Information

The following details of our Equity Share capital, total equity, net asset value per Equity Share and total borrowings as at December 31, 2023 and December 31, 2022, and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and total income, profit after tax and earnings per Equity Share (basic and diluted) for nine months ended December 31, 2023 and December 31, 2022, and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are derived from the Restated Consolidated Financial Information:

(₹ in million)

Particulars	As at and for the Financial Year ended March 31, 2021	As at and for the Financial Year ended March 31, 2022	As at and for the Financial Year ended March 31, 2023	As at and for the nine months ended December 31, 2022	As at and for the nine months ended December 31, 2023
Equity Share capital	3,947.6	3,947.6	3,947.6	3,947.6	3,947.6
Net worth(1)	26,927.6	31,466.3	36,976.0	35,556.8	42,491.0
Total income	15,755.5	17,285.6	20,435.2	14,882.1	18,951.7
Profit after tax for the period/year	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
Basic and diluted earnings per Equity Share (₹ / Equity Share)					
- Basic (in ₹)	8.6	11.3	13.8	10.2*	13.9*
- Diluted (in ₹)	8.4	10.9	13.4	9.9*	13.5*
Net asset value per Equity Share (basic) (in ₹) (2)	68.2	79.7	93.7	90.1*	107.6*
Net asset value per Equity Share (diluted) (in ₹) (3)	66.1	77.1	90.9	87.3*	104.2*
Total borrowings (as per balance sheet) (4)	103,744.7	106,745.9	121,534.5	117,154.7	131,275.9

* *Not annualised*

(1) Net worth has been computed as a sum of paid up share capital and other equity excluding capital reserve on amalgamation.

(2) Net asset value per Equity Share = Net worth as at the end of the period/ year / Number of Equity Shares outstanding at the end of the period/ year

For more details, see "Other Financial Information" on page 333.

(3) Net asset value per Equity Share (diluted) = Net worth as at the end of the period/ year / Number of Equity Shares and potential Equity Shares outstanding at the end of the period/ year

(4) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities), subordinated liabilities and deposits as of the last day of the relevant year or period.

Note: Pursuant to a special resolution dated January 16, 2021 passed at an extra-ordinary general meeting of our Company, our Shareholders approved a bonus issuance of Equity Shares in the ratio of nine Equity Shares for each existing Equity Share held by a Shareholder as on the record date, i.e., January 16, 2021. Consequently, all numbers per Equity Share have been restated for all the periods presented. For details, see "Capital Structure – Equity Share capital history of our Company" on page 75.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Consolidated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, Directors, Promoter and Subsidiary as on the date of this Red Herring Prospectus, is provided below:

Category of individuals and Entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million)(1)
Company						
By the Company	4,483(2)	Nil	Nil	NA	1	3,863.0(1)
Against the Company	32	16	1	NA	2	2,697.5

Category of individuals and Entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million)[(1)]
Directors						
By the Directors	-	-	-	NA	-	-
Against the Directors	1	-	1	NA	1	-
Promoter						
By Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiary						
By Subsidiary	Nil	Nil	Nil	NA	Nil	Nil
Against Subsidiary	Nil	Nil	Nil	NA	Nil	Nil

(1) *To the extent quantifiable*

(2) *Includes (a) 4,326 proceedings filed under section 138 of the Negotiable Instruments Act, 1881 involving an aggregate amount of ₹3,553.1 million; and (b) 145 criminal proceedings alleging fraud by customers involving an amount of ₹192.3 million, respectively.*

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 363.

Risk Factors

For details in relation to certain risks applicable to us, see "*Risk Factors*" beginning on page 24.

Summary of contingent liabilities

The details of our contingent liabilities as per Ind AS 37 as at December 31, 2023 are set forth in the table below:

Particulars	Contingent liabilities as at December 31, 2023 (₹ in million)
Income tax matters of earlier years	30.0
Indirect tax matters of earlier years	113.6
Total	**143.6**

For details, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 33: Contingent Liabilities*" on page 283.

Summary of Related Party Transactions

A summary of related party transactions as per the requirements under Ind AS 24 and Companies Act, 2013, entered into by our Company with related parties as at and for the nine months ended December 31, 2023 and December 31, 2022, and as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:

(₹ in million)

Name	Particulars	For the year ended March 31, 2021	% of total transactions of similar nature	For the year ended March 31, 2022	% of total transactions of similar nature	For the year ended March 31, 2023	% of total transactions of similar nature	For the nine months ended December 31, 2022	% of total transactions of similar nature	For the nine months ended December 31, 2023	% of total transactions of similar nature
Income:											
Rishi Anand – Managing Director and CEO (From January 3, 2023)	Interest Income on Housing Loan	-	-	-	-	0.1	0.0%	-	-	0.4	0.0%
Rajesh Viswanathan- CFO	Interest Income on Housing Loan	-	-	-	-	-	-	-	-	0.3	0.0%
Expenditure:											

Name	Particulars	For the year ended March 31, 2021	% of total transactions of similar nature	For the year ended March 31, 2022	% of total transactions of similar nature	For the year ended March 31, 2023	% of total transactions of similar nature	For the nine months ended December 31, 2022	% of total transactions of similar nature	For the nine months ended December 31, 2023	% of total transactions of similar nature
Deo Shankar Tripathi (as the former Managing Director and CEO)#	Remuneration	21.9	1.2%	23.6	1.0%	25.0	0.8%	18.4	0.8%	28.0	1.0%
Interest paid on fixed deposit held by relative of the former managing director and CEO# (Suman Deo Tripathi)	Interest Expense	-		0.1	1.3%	0.0*	-	0.0*	0.0%	-	-
Interest paid on Fixed Deposit held by Managing Director and CEO	Interest Expense	-	-	0.2	2.5%	-	-	-	-	-	-
Rishi Anand – Managing Director and CEO (From January 3, 2023)	Remuneration	-	-	-	-	4.0	0.1%	-	-	25.1	0.9%
Rajesh Viswanathan – Chief Finance Officer	Remuneration	17.4	0.9%	18.6	0.7%	19.5	0.6%	15.6	0.7%	24.2	0.8%
Sreekanth VN – Company Secretary (upto September 30, 2023)	Remuneration	6.2	0.3%	6.6	0.3%	7.7	0.2%	6.1	0.3%	5.7	0.2%
Harshada Pathak –	Remuneration	-	-	-	-	-	-	-	-	1.2	0.0%

Name	Particulars	For the year ended March 31, 2021	% of total transactions of similar nature	For the year ended March 31, 2022	% of total transactions of similar nature	For the year ended March 31, 2023	% of total transactions of similar nature	For the nine months ended December 31, 2022	% of total transactions of similar nature	For the nine months ended December 31, 2023	% of total transactions of similar nature
Company Secretary (w.e.f. October 01, 2023)											
Others:											
Rajesh Viswanath – CFO	Housing Loan given	-	-	-	-	-	-	-	-	30.0	0.1%

** Less than Rs 50,000*
 # Currently Whole-Time Director and Executive Vice Chairman

1. *Interest Income on Housing Loan – Transactions of similar nature comprise interest income received from loans taken for the purpose of purchase of residential housing during the year/ period.*
2. *Remuneration – Transactions of similar nature comprise employee benefits expense during the year/ period.*
3. *Interest Expense – Transactions of similar nature comprise expenses on interest paid on fixed deposits during the year/ period.*
4. *Housing Loan Given – Transactions of similar nature comprise disbursement during the year/ period.*

Compensation of key management personnel of the Company

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Short–term employee benefits	43.8	47.0	54.1	38.7	82.0
Post–employment pension (defined contribution)	1.7	1.8	2.1	1.4	2.2
Termination benefits	-	-	-	-	-
Sitting fee and commission	12.1	14.6	15.4	11.6	10.6
Total	**57.6**	**63.4**	**71.6**	**51.7**	**94.8**

Balances with Related Parties:

(₹ in million)

Name	Particulars	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at December 31, 2022	As at December 31, 2023
Rishi Anand – Managing Director and CEO	Housing Loan	-	-	12.0	-	11.6
Rajesh Viswanathan- CFO	Housing Loan	-	-	-	-	29.2
Directors Commission	Payable	9.6	12.0	11.6	9.0	11.5
Deo Shankar Tripathi	Fixed Deposit (including accrued interest)	5.1	2.6	-	-	-
Deo Shankar Tripathi	Debt securities	1.3	-	-	-	-

On Consolidation following transactions and balances with Aadhar Sales and Services Private Limited – Subsidiary Company has been eliminated:

Transactions

(₹ in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Business sourcing expenses paid to subsidiary company	303.2	400.3	509.8	333.9	451.6
Recovery of expense from subsidiary company	-	0.1	-	-	-
Rent income from subsidiary company	0.2	0.2	0.2	0.2	0.2

Balances

(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at December 31, 2022	As at December 31, 2023
Investment in subsidiary company	0.1	0.1	0.1	0.1	0.1
Deposit receivable from subsidiary company	4.0	-	-	-	-
Payable to subsidiary company	-	-	-	-	-
Receivable from subsidiary company	0.0*	0.0*	0.0*	-	0.0*

** Less than ₹ 50,000*

For details of the related party transactions as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 44 a) Related Party Transactions*" on page 316.

Issuances of Equity Shares made in the last one year for consideration other than cash

Our Company has not issued any Equity Shares through bonus issue or for consideration other than cash in the one year preceding the date of this Red Herring Prospectus.

Financing Arrangements

There have been no financing arrangements whereby the Promoter, members of our Promoter Group, our Directors, directors of our Promoter and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus and this Red Herring Prospectus.

Weighted average price at which the Equity Shares were acquired by the Promoter (also the Promoter Selling Shareholder) in the one year preceding the date of this Red Herring Prospectus

The Promoter (also the Promoter Selling Shareholder) has not acquired any Equity Shares in the one year preceding the date of this Red Herring Prospectus.

Average Cost of Acquisition for Promoter (also the Promoter Selling Shareholder)

The average cost of acquisition per Equity Share acquired by the Promoter (also the Promoter Selling Shareholder), as on the date of this Red Herring Prospectus is:

Shareholders	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)*
BCP Topco	389,683,420	80.54

* *As certified by S K Patodia & Associates LLP, by way of their certificate dated April 30, 2024*

Details of price at which specified securities were acquired in the last three years preceding the date of this Red Herring Prospectus by our Promoter, the Promoter Group, the Selling Shareholders and the Shareholders with rights to nominate one or more directors on the Board.

There have been no specified securities that were acquired in the last three years preceding the date of this Red Herring Prospectus, by our Promoter, the Promoter Group, the Selling Shareholders and Shareholders with special right to nominate one or more directors on the Board of our Company.

Weighted average cost of acquisition of all shares transacted in three years, eighteen months and one year immediately preceding this Red Herring Prospectus

There have been no Equity Shares transacted in the three years, eighteen months and one year immediately preceding this Red Herring Prospectus.

Details of Pre-IPO Placement

Our Company is not contemplating a pre-IPO placement.

Split or Consolidation of Equity Shares in the last one year

Our Company has not undertaken split or consolidation of the Equity Shares in the last one year preceding the date of this Red Herring Prospectus.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not applied for or received any exemption from the SEBI from complying with any provisions of securities laws, as on the date of this Red Herring Prospectus.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "U.S.", "US", "U.S.A" or "United States" are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see "*Restated Consolidated Financial Information*" beginning on page 237.

Restated consolidated financial information of our Company as at and for the nine months ended December 31, 2023 and December 31, 2022 and as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, comprising the restated consolidated statement of assets and liabilities as at December 31, 2023 and December 31, 2022, and March 31, 2023, March 31, 2022 and March 31, 2021, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the nine months ended December 31, 2023 and December 31, 2022, and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, together with the consolidated summary statement of material accounting policies, and other explanatory information thereon, derived from the audited consolidated financial statements as at and for the nine months ended December 31, 2023 and December 31, 2022 and as at and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with Ind AS read with relevant rules issued thereunder and restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, as approved by the Board of Directors of our Company at their meeting held on April 15, 2024, for the purpose of inclusion in this Red Herring Prospectus.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Red Herring Prospectus to a particular Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12 month period ended on March 31 of that particular calendar year.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS, Indian GAAP and other accounting principles, see "*Risk Factors – We have in this Red Herring Prospectus included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies*" on page 47.

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Red Herring Prospectus have been calculated on the basis of our Restated Consolidated Financial Information.

Non-Generally Accepted Accounting Principles Financial Measures

Certain non-GAAP measures such as Net Worth, Return on Net Worth, Average Net Worth , Net Worth for Equity Shareholders, Net Asset Value Per Equity Share (Basic), EBITDA, EBITDA / Total Income, Provision for our Consolidated GNPAs, Cost to Income Ratio, Average Cost of Borrowing, Return before Exceptional Item on Total Assets, Return before Exceptional Item on Average Total Assets, Return on Total Average Asset, Return before Exceptional Item on Equity, Return on Average Equity, Return on Equity, Net Asset Value Per Share, Net Asset Value Per Equity Share (Basic), Operating

Expenses to Average Total Assets, Credit Cost to Average Total Assets, Provision Coverage Ratio Retail Stage 3 AUM, Spread, Net Interest Margin, Debt to Total Equity Ratio, Debt to Equity Ratio, Retail Provision Coverage Ratio, Average Yield, Provisions for NPAs as a percentage of Gross NPA, Average Yield of Housing and Other Property Loans ("**Non-GAAP Measures**") presented in this Red Herring Prospectus are a supplemental and useful measure of our business, performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. See "*Risk Factors – We have in this Red Herring Prospectus included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies*" on page 47.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US$" are to United States Dollar, the official currency of the United States.

Our Company has presented certain numerical information in this Red Herring Prospectus in "million" 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 Red Herring Prospectus in such denominations as provided in the respective sources.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures (other than per share and percentage figures) derived from our Restated Consolidated Financial Information in decimals have been rounded off to the one decimal place. All per share and percentage figures have been rounded off to one/two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

Exchange Rates

This Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the US$ (in Rupees per US$):

(Amount in ₹, unless otherwise specified)

Currency	As on March 31, 2021*	As on March 30, 2022*	As on March 31, 2023*	As on December 31, 2022*	As on December 31, 2023*
1 US$	73.50	75.81	82.22	82.79	83.12

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

* *If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from the report titled *"Industry report on housing finance focused on low income housing segment"* dated April 2024 prepared by CRISIL and publicly available information as well as other industry publications and sources. The CRISIL Report has been exclusively commissioned, at the request of our Company, and paid for, by our Company.

"*CRISIL Market Intelligence & Analytics (CRISIL MI&A), 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). 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. 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. Aadhar Housing Finance Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval.*"

The CRISIL Report is available on the website of our Company at https://aadharhousing.com/investor-relations/offer-documents.

For details of risks in relation to CRISIL Report, see "*Risk Factors – Statistical and industry data in this Red Herring Prospectus is derived from the CRISIL Report commissioned and paid by us exclusively for the purpose of the Offer*" on page 40. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decision should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" beginning on page 97 includes information relating to our peer group companies. Accordingly, no investment decision should be made solely on the basis of such information. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base this information on estimates and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" beginning on page 24.

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 Red Herring 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 this 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 "**U.S. Securities Act**"), and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) ("**U.S. QIBs**") in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales occur.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "project", "seek", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this Red Herring Prospectus that are not statements of historical fact are 'forward – looking statements'.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate 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 its 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 and changes in competition in the industries in which we operate.

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

- Dependence on accuracy and completeness of information provided by our potential borrowers and third-party service providers;
- Any failure to identify, monitor and manage risks and effectively implement our risk management policies;
- Vulnerability to the volatility in interest rates, and exposure to interest rate and maturity mismatches between our assets and liabilities;
- Any adverse effect due to conditions and restrictions imposed by our indebtedness; and
- Compliance with stricter regulations and guidelines issued by regulatory authorities in India, which may increase our compliance costs, divert the attention of our management and subject us to penalties.

For details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 24, 118, 151, and 335, 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.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views as of the date of this Red Herring 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. Neither our Company, our Directors, the Promoter Selling Shareholder, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. Further, in accordance with requirements of SEBI and as prescribed under applicable law, the Promoter Selling Shareholder shall ensure that the Bidders in India are informed of material developments, in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself and the Offered Shares in this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by the Promoter Selling Shareholder in this Red Herring Prospectus shall be deemed to be statements and undertakings made by it.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. You should read this section together with "Industry Overview", "Our Business", "Selected Statistical Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Restated Consolidated Financial Information" on page 118, 151, 215, 335 and 237, respectively. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

The risks and uncertainties described below are not the only risks that we and the industry in which we currently operate face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially adversely affect our business, prospects, financial condition and results of operations and cashflows. If any or some combination of the following risks, or other risks that we do not currently know about or believe to be material, actually occur, our business, financial condition and results of operations and cashflows could suffer, the trading price of, and the value of your investment in, our equity shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of the Company and the terms of this Offer, including the merits and risks involved.

This Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. For details, see "Forward-Looking Statements" on page 23 of this Red Herring Prospectus.

References to "our business" or "Company's business" in this section refers to the business of the Company and its Subsidiary.

Certain non-GAAP financial measures such as net interest income, operating expenses and net interest margin and certain other statistical information relating to our operations and financial performance have been included in this Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks/companies and are not measures of operating performance or liquidity defined by Indian GAAP and may not be comparable to similarly titled measures presented by other banks / companies. For a reconciliation of the non-GAAP measures presented in this section, see "Selected Statistical Information – Non-GAAP Reconciliations" on page 47 of this Red Herring Prospectus and relevant reconciliations in the respective sections of this Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from our Restated Consolidated Financial Information.

The industry-related information contained in this section is derived from the CRISIL Report. Pursuant to an engagement letter dated November 20, 2023 entered into with CRISIL (available at https://aadharhousing.com/investor-relations/offer-documents), the CRISIL Report has been exclusively commissioned and paid for by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. For further details, see "Certain Conventions, Presentation of Financial, Industry and Market Data" and "– Statistical and industry data in this Red Herring Prospectus is derived from the CRISIL Report commissioned and paid for by us exclusively for the purpose of the Offer" on pages 20 and 40, respectively.

INTERNAL RISK FACTORS

RISKS RELATING TO OUR BUSINESS

1. ***Our Erstwhile Promoters are subject to ongoing regulatory investigations by enforcement agencies including the Enforcement Directorate and the outcome of such investigations may adversely impact us and the Equity Shares held by our Promoter, BCP Topco and the market price of the Equity Shares of our Company.***

   On June 10, 2019, Dewan Housing Finance Corporation Limited ("**DHFL**"), Wadhawan Global Capital Limited ("**WGCL**"), Kapil Wadhawan, Dheeraj Wadhawan, and Aruna Wadhawan (collectively, the "**Erstwhile Promoters**") transferred their entire shareholding of 20,310,873 Equity Shares, constituting 80.8% of the then existing share capital of our Company to BCP Topco. As a result of the aforesaid transfer, the Erstwhile Promoters ceased to be the promoters of our Company and BCP Topco become the promoter of our Company. For details in relation to the transfer, see "*Capital Structure – History of the Share capital held by our Promoter*" on page 81.

Based on media reports, we understand that the Erstwhile Promoters are subject to various ongoing regulatory investigations by enforcement agencies including investigation by the Enforcement Directorate under the Prevention of Money Laundering Act, 2002 pertaining to their other business. As on the date of this Red Herring Prospectus, our Company has not received any such notice or intimation from the above law enforcement agencies in connection with the above matters. While we and our Promoter are not a party to any such proceedings, we cannot assure you that any such proceedings will not adversely impact our Company or our Promoter including adverse actions against Equity Shares held by our Promoter or will not have an impact on the market price of the Equity Shares of our Company.

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

We are involved, from time to time, in legal proceedings that are incidental to our operations and these involve proceedings filed by and against us. These include among others, criminal and civil proceedings, tax proceedings, and criminal complaints filed by us under the Negotiable Instruments Act and applications under the SARFAESI Act challenging proceedings adopted by us towards enforcement of security interests. These proceedings are pending at different levels of adjudication before various courts and authorities. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. We have not made any provision as of December 31, 2023 for the ongoing legal proceedings, and there can be no assurance on the outcome of legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings.

The summary of outstanding matters set out below includes details of criminal proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving our Company, Directors, Promoter and Subsidiary as of the date of this Red Herring Prospectus. According to the Materiality Policy, any outstanding litigation other than criminal proceedings, statutory or regulatory actions and taxation matters is considered material if (i) the monetary amount of claim by or against the entity or person in any such pending matter is in excess of 1% of the profit after tax as per the Restated Consolidated Financial Information for the Financial Year 2023, i.e., ₹ 54.5 million; or (ii) outstanding litigation filed against our Company which are winding up petitions under the Companies Act, or are corporate insolvency resolutions processes under the Insolvency and Bankruptcy Code, 2016; or (iii) where the decision in one case is likely to affect the decision in similar cases; or (iv) if outcome of any such litigation could materially and adversely affect our business, prospects, operations, financial position or reputation of the Company.

Category of individuals and Entities	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoter in the last five years, including outstanding action	Material civil litigation	Aggregate amount involved (₹ in million)(1)
Company						
By the Company	4,483(2)	Nil	Nil	NA	1	3,863.0(1)
Against the Company	32	16	1	NA	2	2,697.5
Directors						
By the Directors	-	-	-	NA	-	-
Against the Directors	1	-	1	NA	1	-
Promoter						
By Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiary						
By Subsidiary	Nil	Nil	Nil	NA	Nil	Nil
Against Subsidiary	Nil	Nil	Nil	NA	Nil	Nil

(3) *To the extent quantifiable*
(4) *Includes (a) 4,326 proceedings filed under section 138 of the Negotiable Instruments Act, 1881 involving an aggregate amount of ₹3,553.1 million; and (b) 145 criminal proceedings alleging fraud by customers involving an amount of ₹192.3 million, respectively.*

We cannot assure you that any of the outstanding material litigation matters will be settled in favor of our Company or that no additional liability will arise out of these proceedings.

We may be required to devote management and financial resources in the defense or prosecution of such legal proceedings. If a significant number of these disputes are determined against us and if we are required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be a material and adverse impact on our reputation, business, financial condition, cash flows and results of operations. For further details in relation to the proceedings involving our Company and Directors, see "*Outstanding Litigation and Material Developments*" on page 363.

3. ***We depend on the accuracy and completeness of information provided by our potential borrowers and third-party***

service providers. Our reliance on any misleading information given by potential borrowers may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations, cash flows and financial condition.

In deciding whether to extend credit or enter into other transactions with potential borrowers, we rely on information furnished to us by potential borrowers, and analysis of the information by independent valuers and advocates. To further verify the information provided by potential borrowers, we conduct searches on the CRIF High Mark Credit Information Services Pvt Ltd ("**CRIF**"), Credit Information Bureau (India) Limited ("**CIBIL**") and other credit bureaus for creditworthiness of our borrowers. We also verify information with registrars and sub-registrars of assurances for encumbrances on collateral. We follow the know your customer ("**KYC**") guidelines prescribed by the NHB and RBI on the potential borrower, verifies the place of business or place of employment as applicable to the potential borrower and also verifies the details with the caution list of the NHB as circulated from time to time. Such information includes representations with respect to the accuracy and completeness of information relating to the financial condition of potential borrowers, and independent valuation reports and title reports with respect to the property secured. Additionally, once a prospective borrower has submitted a completed loan application, our empaneled third-party agencies conduct various on-site checks to verify the prospective customer's work and home addresses. We have framed our policies to prevent frauds in accordance with the KYC guidelines issued by NHB dated October 11, 2010 and Master Direction – Know Your Customer (KYC) Direction, 2016 issued by the RBI on February 25, 2016, both as amended mandating the policies of HFCs to have certain key elements, including, *inter alia*, a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management. For details of our risk management, see "*Our Business – Risk Management"* on page 171. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business, results of operations and financial condition. For further details, see "*– If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows*" on page 28.

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

4. We have had negative net cash flows in the past and may continue to have negative cash flows in the future.

We have, in the past, experienced negative net cash flows in operating activities on account of fresh disbursements of loans made to customers for FY2021, FY2022 and FY2023 and for the nine months ended December 31, 2022 and December 31, 2023 and negative net cash flows in investing activities for FY2021, FY2023 and nine months ended December 31, 2022. The following table sets forth our cash flows for the periods indicated:

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net cash used in operating activities	(12,022.9)	(9,067.5)	(11,556.9)	(10,065.7)	(16,582.2)
Net cash generated from / (used in) investing activities	(4,804.8)	8,225.7	(4,765.3)	(228.0)	4,805.7
Net cash generated from financing activities	7,013.9	2,748.5	14,631.9	10,298.7	9,609.8

Such negative cash flows from operating activities for FY2021, FY2022 and FY2023 and for the nine months ended December 31, 2022 and December 31, 2023 were mainly attributable to payment of tax and changes in working capital consisting of decrease in other financial and non-financial liabilities and provisions, decrease in trade receivables and decrease in other financial and non-financial assets. Negative cash flows from investing activities for FY2021, FY2023 and for the nine months ended December 31, 2022 were mainly attributable to purchase of investments.

For further details, see "*Restated Consolidated Financial Information – Restated Consolidated Statement of Cash Flow*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 246 and 335, respectively. We cannot assure you that our net cash flow will be positive in the future, which could adversely affect our ability to, among others, fund our operations or pay our debts in a timeline manner, which could in turn adversely affect our business, cash flows, financial condition and results of operations.

5. ***Any increase in the levels of non-performing assets in our AUM would adversely affect our business, results of operations, cash flows and financial condition.***

Our Company offers loans to retail borrowers.

The following table sets forth, for the period ends indicated, our Gross AUM:

(₹ in million)

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Gross AUM	**133,271.0**	**147,777.9**	**172,228.3**	**165,664.6**	**198,651.6**

The breakdown of Gross AUM by occupation is set forth in the table below:

(₹ in million, except percentages)

Occupation	**As of**									
	March 31, 2021		**March 31, 2022**		**March 31, 2023**		**December 31, 2022**		**December 31, 2023**	
	Amount	**% Share**	**Amount**	**% Share**	**Amount**	**% Share**	**Amount**	**% Share**	**Amount**	**% Share**
Salaried	85,093.3	63.8%	90,891.1	61.5%	100,933.2	58.6%	98,490.7	59.5%	113,686.1	57.2%
Self Employed	48,177.7	36.2%	56,886.8	38.5%	71,295.1	41.4%	67,173.9	40.5%	84,965.5	42.8%
- Formal self-employed	20,891.1	43.4%	19,583.9	34.4%	18,122.9	25.4%	18,731.7	27.9%	17,094.7	20.1%
- Informal self-employed	27,286.6	56.6%	37,302.9	65.6%	53,172.2	74.6%	48,442.2	72.1%	67,870.8	79.9%

Any slowdown of or disruption to the macroeconomic environment as a whole and the Indian economy may adversely affect such retail borrowers' ability, especially informal self-employed borrowers, to service their loans, which could lead to increased customer defaults, leading to an increase in the levels of our NPAs.

Income of informal customers (i.e., customers that do not have formal income documentation) is assessed by the credit manager during personal discussion with such customers and verification and collection of other secondary data, in the absence of a documented proof of income. Such an assessment of income for customers from the informal segment may be incorrect or inaccurate for multiple reasons which may result in an increased chance of delinquencies and defaults from such customers.

The RBI Master Directions – HFC set out prudential norms in relation to the identification of NPAs and income recognition against NPAs. If our NPA level increases due to deterioration in the credit quality of our AUM or our inability to implement effective monitoring and collection methods, our results of operations and financial condition may be adversely affected. As we intend to continue our efforts to originate new loans, we cannot assure you that there will not be significant additional NPAs in our AUM in the future.

On November 12, 2021, the RBI issued a circular on *Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications* (the "**November 12 Circular**") which clarified that the classification of borrower accounts as special mention accounts or NPAs will be on a day-end position basis and accounts can only be upgraded from an NPA to a 'standard' asset after the clearance of all overdues (in other words, only if the entire arrears of interest and principal are paid by the borrower). Following the November 12 Circular, from a reporting perspective, we classified our Stage 3 assets into: (a) Stage 3a loans not more than 90 days past due and (b) Stage 3b loans more than 90 days past due. Our Stage 3b loans are comparable to our NPA for the previous period/years and our Stage 3a loans have been classified as a result of the November 12 Circular with effect from November 12, 2021. The following table sets forth our NPAs as of the period ends indicated:

(₹ in million, except percentages)

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Gross NPA	1,430.3	2,143.5*	1,997.7	2,920.8	2,778.5
– Loan assets of not more than 90 days past due(1)	NA**	395.4	70.5	198.5	59.1
Gross NPA as a percentage of Retail AUM	1.1%	1.5%*	1.2%	1.8%	1.4%
– Loan assets as a percentage of Retail AUM	NA**	0.3%	0.0%(2)	0.1%	0.0%(2)
Own Book NPA	1,307.1	1,814.7	1,625.9	2,402.4	2,308.1
– Loan assets of not more than 90 days past due(1)	NA**	328.1	58.9	168.6	52.2
Own Book NPA as a percentage of Own Book(3)	1.2%	1.5%	1.2%	1.8%	1.4%
– Loan assets as a percentage of Own	NA**	0.3%	0.0%(2)	0.1%	0.0%(2)

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Book					

** As of March 31, 2022, Gross NPA represents our Gross Retail NPA (closing balance of the Gross NPA of our Retail AUM as of the last day or the relevant year or period). See ** under "Selected Statistical Information – Financial Ratios" on page 216 for impact of the November 12 Circular.*
*** Not Applicable on March 31, 2021.*

(1) Loan assets of not more than 90 days past due which have been classified as NPA according to the November 12 Circular.
(2) Less than 0.1%
(3) Own Book NPA refers to the NPA of our own loan assets.

For further details in relation to stage 3a and 3b loans, see "*Selected Statistical Information*" on page 215. This clarification by the RBI has increased our NPAs in the near term, and will increase total levels of NPAs for NBFCs (including HFCs) going forward, which will result in an increase in provisioning requirements, higher capital requirements and losses over time.

Further, the NHB/RBI Directions on NPAs may become more stringent than they currently are, which may adversely affect our profitability and results of operations.

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

The effectiveness of our risk management is affected by the quality and timeliness of available data. We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. For details, see "*Our Business – Competitive Strengths - Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality*", "*Our Business – Loan collection and Monitoring*" and "*Our Business – Risk Management*" on pages 154, 168 and 171, respectively. For instance, to address cash management risks, we have developed advanced cash checks at every level to track and tally accounts, as described in "*Our Business – Risk Management – Cash Management Risk*" on page 172. Despite this, our policies and procedures to identify, monitor and manage risks of fraud, money laundering, any other credit, operational or other risks may not be fully effective. Our Board of Directors and the Risk Management Committee review our risk management policies from time to time. We also depend on our information technology systems to assist us with our risk management functions. For details, see "*Our Business – Information Technology*" on page 173. Further, some of our methods of managing risks are based upon the use of observed historical market behavior and data analytics models. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. While we have not experienced any material disruptions in FY2021, FY2022 and FY2023 and nine months ended December 31, 2023, to the extent that any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risks are not effective, we may face risk exposure in certain market environments or particular types of risk as a result of not being able to effectively mitigate those market or credit risks. In addition, as we seek to expand the scope of our operations, we also face the risk of being unable to develop commensurate risk management policies and procedures.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses. If we fail to effectively implement our risk management policies, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

7. We are vulnerable to the volatility in interest rates and we may face interest rate and maturity mismatches between our assets and liabilities in the future which may cause liquidity issues.

Our operations are particularly vulnerable to volatility and mismatches in interest rates. Our net interest income and profitability directly depend on the difference between the average interest rate at which we lend and the average interest rate at which we borrow. For breakdown of our financial liabilities by repayment period, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Financial Liabilities*" on page 355. For further details in relation to our average cost of borrowings and average yield on loan book for FY2021, FY2022 and FY2023 and nine months ended December 31, 2022 and December 31, 2023, see "*Selected Statistical Information – Yields, Spreads and Margins*" on page 222. The cost of our funding and the pricing of our loan products are determined by a number of factors, many of which are beyond our control, including the RBI's monetary policies, inflationary expectations, competition, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. These factors could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest bearing liabilities. While any reduction in our cost of funds may be passed on to our customers, we may not have the same flexibility in passing on any increase in our cost of funds to our customers, thereby affecting our net interest income. The following table shows the split of our assets and borrowings in terms of interest basis (i.e., fixed or floating rate) as of the dates indicated:

	Gross AUM					Borrowing				
	March 31,			December 31,		March 31,			December 31,	
	2021	2022	2023	2022	2023	2021	2022	2023	2022	2023
Fixed	8.8%	13.4%	14.8%	16.2%	17.0%	27.3%	25.9%	24.7%	25.4%	21.4%
Floating	91.2%	86.4%	85.2%	83.8%	83.0%	72.7%	74.1%	75.3%	74.6%	78.6%

Similarly, competition pressures may require us to reduce our cost of lending to our customers without a proportionate reduction in our cost of borrowing from our lenders. Further, if we do not pass on the reduced interest rates to our borrowers, it may result in some of the borrowers prepaying the loan to take advantage of the reduced interest rate environment, thereby impacting our growth and profitability. If interest rates rise, some or all of our lenders may increase the interest rates at which we borrow resulting in an increase in our effective cost of funds. We may or may not be able to pass on the increased interest rates to our borrowers simultaneously with the increase in our borrowing rates, or at all, thereby affecting our net interest income and we may find it difficult to compete with our competitors, who may have access to low-cost funds or lower cost deposits. Additionally, an increase in interest rates may result in some of our borrowers prepaying their loans by arranging funds from other less expensive sources, thereby impacting our growth and profitability. For further details, see "- *The Indian housing finance industry is highly competitive and if we are not able to compete effectively, it could adversely affect our business and results of operations.*" on page 50.

Further, an increase in general interest rates in the economy could reduce the overall demand for housing finance and impact our growth. While there has been no such instance in FY2021, FY2022 and FY2023 and nine months ended December 31, 2023, which have had a material adverse impact on our growth, we cannot assure you that we will be able to adequately manage our interest rate risk in the future, and if we are unable to do so, this could have an adverse effect on our net interest income, which could in turn have a material adverse effect on our business, results of operations, cash flows and financial condition.

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

The following table sets forth details of our total borrowings as of March 31, 2021, 2022 and 2023 and December 31, 2022 and December 31, 2023:

(₹ in million)

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Debt Securities	21,403.1	17,642.9	25,421.3	23,594.4	23,417.4
Borrowings (other than debt securities)	81,104.1	88,189.7	95,427.3	92,870.3	107,245.7
Banks	64,123.2	63,586.0	65,406.7	64,837.2	71,413.9
NHB	16,980.9	23,853.7	30,020.6	28,033.1	35,831.5
Cash Credit/Overdraft	-	750.0	-	-	0.3
Deposits	405.6	79.9	31.2	35.2	16.8
Subordinated Liabilities	831.9	833.4	654.7	654.8	596.0
Total borrowings (as per balance sheet)	**103,744.7**	**106,745.9**	**121,534.5**	**117,154.7**	**131,275.9**

We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of our agreements require us to obtain consent from our lenders for undertaking various actions, including, for example:

- Entering into any schemes of mergers, amalgamations, compromise or reconstruction;
- Disposal of our Promoter's shareholding in the Company including effecting any change in the management control of the company involving transfer of ownership;
- Entering into any borrowing arrangement with any bank, financial institution, company or person or otherwise accepting deposits which increase the indebtedness of the company beyond the permitted limits as per sanction terms;
- Effecting any change in our capital structure, including fundraising in the capital market either in the form of debt or equity, pledging our Promoter's shareholding;
- Changing the substantial nature of the business of our Company;
- Undergoing any material change in our management or business;
- Initiating any amendments to our Memorandum or Articles of Association;

- Undertaking guarantee obligations on behalf of any third party;

- Declaring any dividends to our shareholders if there is a subsisting event of default/ breach in any financial covenant or repaying any monies brought in by our Promoter / directors / principal shareholders and their affiliates, friends and relatives by way of deposits / loans / advances;

- Transferring or disposal of any of our undertakings;

- Utilization of funds for any other purpose other than for which approval has been granted or agreed to be granted; and

- Entering into any long-term contractual obligations that significantly affect the lender.

For further details in relation to the principal terms of the borrowings, see "*Financial Indebtedness – Principal terms of the borrowings availed by our Company*" beginning on page 360. As of the date of this Red Herring Prospectus, we have received all requisite approvals from the relevant lenders in connection with the Offer. Further, one of our lenders has provided an approval conditional upon our Company obtaining all relevant regulatory/ statutory approvals required to undertake the Offer. Other than the final listing and trading approval for the Equity Shares from the Stock Exchanges, the Company has received all the necessary relevant regulatory/ statutory approvals required to undertake the Offer.

Our financings are typically secured against our assets. Since the security we provide is on a *pari-passu* basis to all lenders (except to NHB, which is on exclusive charge basis), we are required to obtain no-objection letters or *pari-passu* letters from the perfection of security from all our lenders every time we raise new secured borrowing, which is time-consuming.

Further, some of our loan agreements also require us to maintain certain periodic financial ratios, such as GNPA, net worth, minimum interest coverage ratio, CRWAR, among others, which we have maintained compliance in the past three FYs and the nine months ended December 31, 2023. Additionally, most of our financing agreements also contain cross-default and cross-acceleration clauses, which are triggered in the event of default by our Company under the respective financing agreements. We also entered into a debenture subscription agreement and a debenture trust deed each dated December 28, 2023 in relation to our issuance of non-convertible debentures, pursuant to which an event of default would be triggered if our Company does not comply with, *inter alia*, the specified use of the subscription proceeds or a set of safeguards and social requirements designated by the subscriber of the non-convertible debentures. Also, our Company has certain loan facilities which the lenders can recall without any cause. In particular, in December 2021, we were in breach of our covenant with one lender to maintain a certain level of NPAs (this was due to increase in our NPAs as a result of the November 12 Circular) and have received a condonation from the relevant lender. We cannot assure you that we will be able to comply with financial covenants in the future or that we will receive a similar condonation or waivers for any breaches from any of our present or future lenders.

Our future borrowings may also contain similar restrictive provisions. In the event that we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which are only identified in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments.

We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs, see "- *We have had negative net cash flows in the past and may continue to have negative cash flows in the future*" on page 26 for further details. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

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

We are regulated principally by and have reporting obligations to the NHB and the RBI. We are also subject to the corporate, taxation and other laws in effect in India. Our business and financial performance could be adversely affected by changes in the laws, rules, regulations or directions applicable to us and the housing finance business, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations, including foreign investment laws governing our business, operations and investments in our Company by non-residents. These regulations, apart from regulating the manner in which a company carries out its business and internal operations, prescribe various periodical compliances and filings, including but not limited to filing of forms and declarations with the relevant registrar of companies, the RBI and other relevant authorities. Further, notification of new regulations and policies, could require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently, or change the manner in which we conduct KYC or authenticate our customers. Any such changes and the related uncertainties with respect to the implementation of new regulations may have an adverse effect on our business, financial condition and results of operations. On February 17, 2021, RBI issued the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("**RBI Master Directions – HFC**") in supersession of, among others, the Master Circular – Housing Finance Companies (NHB) Directions, 2010 and the RBI notification on Review of regulatory framework for Housing Finance Companies (HFCs) dated October 22, 2020. Accordingly, activities of HFCs, are primarily regulated by the RBI Master Directions - HFC, including various aspects of our business such as what constitutes housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Certain other generally applicable legislations also regulate other aspects of our business such as recovery of debt and taxation. For details, see "*Key Regulations and Policies in India*" on page 179.

Further, RBI continues to review the regulatory framework for HFCs with the objective of further harmonisation and extension of certain regulations applicable to NBFCs to HFCs, in a phased manner. Any such changes in the regulatory framework would likely lead to increased compliance requirements for our Company and connected costs.

10. We assign a portion of our loan assets through direct assignments and through a co-lending arrangement to banks and other institutions. Any deterioration in the performance of any pool of receivables assigned to banks and other institutions or any decline in demand for such assignment of loan assets may adversely impact our financial performance and/or cash flows.

As part of our means of raising and/or managing our funds, we assign a portion of the receivables from our loan portfolio to banks and other institutions. Such assignment transactions are conducted on the basis of our internal estimates of our funding requirements, which may vary from time to time. The table below sets forth, for the periods indicated, our fresh assignment of loan assets:

(₹ in million, except percentages)

	For FY2021		For FY2022		For FY2023		For nine months ended December 31, 2022		For nine months ended December 31, 2023	
	Amount	% of Own Book	Amount	% of Own Book	Amount	% of Own Book	Amount	% of Own Book	Amount	% of Own Book
Our fresh assignment of loan assets	5,778.7	5.4%	7,721.2	6.4%	11,339.6	8.1%	7,780.8	5.8%	8,000.5	5.0%

We also signed co-lending agreements with two public sector banks and one private sector bank to leverage our distribution network and widen our sources of funds. The co-lending arrangement allows us to cater to a larger customer base with lesser capital by leveraging the larger balance sheet of our partner banks. See "*Our Business – Our Strategy – Optimize our borrowing costs and reduce operating expenses further*" on page 161. The following table sets forth details of the amount of loan assets under our co-lending agreements as of the dates indicated:

(₹ in million, except percentages)

	As of March 31, 2021		As of March 31, 2022		As of March 31, 2023		As of December 31, 2022		As of December 31, 2023	
	Amount	% of Own Book	Amount	% of Own Book	Amount	% of Own Book	Amount	% of Own Book	Amount	% of Own Book
Loan assets under co-lending agreements	-	-	-	-	1,267.7	0.9%	380.5	0.3%	4,372.0	2.7%

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

- Prohibition on carrying out assignment transactions at rates lower than the prescribed base rate of the bank;
- Prohibition on HFCs focused on the low income housing segment such as our Company from offering credit enhancements in any form and liquidity facilities in the case of loan transfers through direct assignment of cash flows;

- Minimum holding period or ‘seasoning’ and minimum retention requirements of assignment loans; and

- Assignments shall be eligible for classification under priority sector only if the interest rate charged to the ultimate borrower by the originating entity does not exceed the bank’s marginal cost of funds-based lending rate plus 10% per annum or the external benchmark-linked lending rate plus 14% per annum.

Additionally, pursuant to the Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 (the “**Master Directions on Loan Exposures**”) NBFCs (including HFCs) can transfer and/ or acquire loans permitted under the Master Directions on Loan Exposures. In terms of the Master Directions on Loan Exposures, lenders are required to frame a comprehensive policy approved by their board of directors for transfer and acquisition of loan exposures. The policy must, among others, lay down the minimum quantitative and qualitative standards relating to due diligence, valuation, requisite IT systems for the capture, storage and management of data, risk management and periodic oversight including by the board of directors of the lenders. For instance, under the Master Directions on Loan Exposures, transfer of loans not in default can be made to permitted transferees through novation, assignment or loan participation contracts, only on a cash basis and the consideration must be received not later than at the time of the transfer of the loans. Loans can only be transferred after a minimum holding period (“**MHP**”), as counted from the date of registration of the underlying security interest with CERSAI, i.e., (a) three months in case of loans with tenor of up to two years; (b) six months in case of loans with tenor of more than two years. The calculation of MHP is subject to certain exceptions as prescribed in the Master Directions on Loan Exposures. For instance, in case of loans where security does not exist or security cannot be registered with CERSAI, the MHP shall be calculated from the date of first repayment of the loan.

There is no assurance that we will continue to comply with existing policies and/or regulations, particularly in connection with the assignment of our loan assets, which may adversely affect our ability to manage our liquidity and raise or transfer external funds. Any adverse changes in the policy and/or regulations in connection with the assignment of assets by HFCs and/or new circulars and/or directions issued by the RBI in this regard, affecting HFCs or the purchasers of assets, would affect the assignment market in general and our ability to assign our assets. In addition, a decline in demand for assignment would adversely affect our ability to assign our assets, thereby affecting our ability to maintain low NPA levels and to borrow at competitive rates, which may have a material adverse effect on our business, financial condition and results of operations.

11. ***We are subject to periodic inspections by the NHB. Non-compliance with the NHB's observations made during any such inspections could subject us to penalties and restrictions which may be imposed by the NHB and/or RBI and could adversely affect our reputation, financial condition and results of operations.***

We are subject to periodic inspection by the NHB, wherein our books of accounts and other records, including details of NPAs, grievance redressal mechanism, corporate governance and branches, among other, are inspected for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB. We are also required to submit the details of complaints received from our customers and details of frauds observed on a periodic basis to NHB. In its past inspection reports, the NHB has (a) identified certain deficiencies in our operations, (b) made certain observations in relation to our operations during its periodic inspections and (c) sought certain clarifications on our operations, including as follows:

- Lack of mandated disclosures in the annual financial statements such as on liquidity risks and ratios pertaining to business criteria;

- Investment policy not updated in line with the revised RBI Master Directions – HFC;

- Discrepancy in loan disbursement practice and credit policy;

- Lack of policy on off-balance sheet exposures;

- Observations in relation to the reporting structure for the chief risk officer and the chief compliance officer and independence of both roles;

- Identified certain deficiencies in asset quality in quick mortality accounts; and

- LTV on certain loan accounts higher than permissible limits.

Further, our Company had received show cause notices dated December 29, 2020 and February 26, 2021 for certain non-compliances with the Master Circular – Housing Finance Companies (NHB) Directions, 2010, which were responded to by our Company on January 11, 2021 and March 5, 2021, respectively. While as of the date of this Red Herring Prospectus, the NHB has not levied any penalty for the above non-compliances nor have we received any further communication from NHB in relation to the above show cause notices and we have provided necessary clarifications and/ or undertaken to ensure compliance with the above observations, we cannot assure that such steps will be satisfactory and the NHB will not have further/ follow-on observations in the future or will not impose any penalties for non-compliances. Further, while we take necessary actions to ensure adherence with regulatory provisions applicable to us, however, in the event that we are unable to comply with the observations made by the NHB in the past or comply with NHB's and/or RBI's directions at any time in the future, we could be subject to penalties and restrictions which may be imposed by the NHB and/or RBI. Imposition of any penalty or adverse finding by the NHB and/or RBI during any future inspection may have a material adverse effect on our reputation, business, financial condition and results of operations. For further details, see "*Key Regulations and Policies in India*" on page 179.

12. ***Any increase in our provisioning in the future due to the increase NPAs or the introduction of more stringent requirements in respect of loan loss provisioning, may reduce our profit after tax and adversely impact our results of operations.***

The Income Recognition, Asset Classification and Provisioning Norms prescribe the provisioning required in respect of outstanding AUM. However, we follow Ind AS for provisioning in respect of our loan book as per the RBI Circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. In the event that the aggregate impairment provision under Ind AS 109 is lower than that required under the Income Recognition, Asset Classification and Provisioning Norms, the difference in amount shall be appropriated from the Net Profit or loss after tax to a separate reserve account i.e. "Impairment Reserve". Should the overall credit quality of our loan book or portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. The following table sets forth our provisions as of the dates indicated:

(₹ in million, except percentages)

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Gross NPAs (A)	1,430.3	2,143.5*	1,997.7	2,920.8	2,778.5
Less: Provision against NPA (Stage 3 Assets (Housing and Other Property Loan)) (B)	433.6	535.3	556.8	739.5	853.3
Net NPA (C = A-B)**	996.7	1,608.2	1,440.9	2,181.3	1,925.2
Retail Provision coverage ratio	30.3%	25.0%	27.9%	25.3%	30.7%

** As of March 31, 2022, Gross NPA represents our Gross Retail NPA (closing balance of the Gross NPA of our Retail AUM as of the last day or the relevant year or period). See ** under "Selected Statistical Information – Financial Ratios" on page 216 for impact of the November 12 Circular.*
*** Net NPA: Represents Gross NPA of our retail AUM as of the last day of the relevant year or period less provision on the same.*

For reconciliation of non-GAAP measures, see "*Selected Statistical Information – Non-GAAP Reconciliations*" on page 234.

If we are required to increase our provisioning in the future due to increased NPAs or the introduction of more stringent requirements in respect of loan loss provisioning, this may reduce our profit after tax and adversely impact our results of operations. Further, there can be no assurance that we will be able to recover the outstanding amounts due under any defaulted loans. We may also face difficulties in disposing of the underlying assets relating to such loans, as a result of which we may be unable to realize any liquidity from such assets. Further, as our loan portfolio grows, our NPAs may increase and the current level of our provisions may not adequately cover any such increases. We cannot assure you that there will not be a significant increase in the portion of our loans that are classified as NPAs as our loan portfolio matures. Any material increase in NPAs may have a material adverse effect on our financial condition, results of operations and business.

The provisioning measures imposed by the RBI may also have an adverse effect on our business, cash flows, financial condition and results of operations.

13. ***We do not own our branches, sales offices, regional and corporate offices, including our Registered Office and Corporate Office. Any termination or failure by us to renew the lease/ leave and license agreements in a favorable and timely manner, or at all, could adversely affect our business and results of operations. Moreover, many of the lease/ leave and license agreements entered into by us may not be duly registered or adequately stamped.***

Our branches, sales offices, regional and corporate offices, including our Registered Office and Corporate Office are located on leased or licensed premises. For further details, see "*Our Business – Properties*" on page 178. The lease agreements can be terminated, and any such termination could result in any of our offices being shifted or shut down. The period for leases which are entered into by our Company for our branches, sales offices, regional and corporate offices typically ranges from 11 months to nine years. While we do not have any expired or unregistered leases and leave and license agreement for any of our branches which had a material impact on our financial condition and results of operations in the last three FYs and nine months ended December 31, 2023, if any of our lease/ leave and license agreements are not renewed or not renewed on terms favorable to us in the future, we may suffer a disruption in our operations or increased costs, or both, which may affect our business and results of operations. To the extent that our lease/ leave and license agreements may not be adequately stamped or duly registered, such agreements may be rendered inadmissible as evidence in a court in India or may not be authenticated by any public officer and the same may attract penalty as prescribed under applicable law or may impact our ability to enforce these agreements legally, which may result in an adverse effect on the continuance of our operations and business in the relevant branch, sales office, regional or corporate office. Further, one of our Senior Management Personnel, R. Anil Kumar Nair, has entered into a leave and license agreement with our

Company for the premises of one of our branches located at Bhiwandi, Maharashtra, which has a monthly rent of ₹60,000, subject to applicable maintenance charges of ₹2,000 per month, taxes and escalation at the rate of 5% at every year on the last rent paid, as per the agreement dated February 22, 2021. For further details, see "*Our Management*", on page 196. While this transaction has been conducted on an arm's length basis, and contains commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such lease been entered into with unrelated parties.

14. There are existing agreements with certain entities which cannot be unilaterally terminated by us.

Our Company has entered into certain arrangements with Pramerica Life Insurance Limited ("**PLI**") and DHFL, entities owned by Piramal Capital & Housing Finance Limited. These arrangements include agreements for purchase of a loan portfolio serviced by DHFL ("**DHFL Loan Pool 2011**"), agreements for purchase of a loan portfolio serviced by AHFL ("**DHFL Loan Pool 2018**"), a corporate agency agreement dated April 25, 2016 with PLI (the "**Corporate Agency Agreement**") and a distribution agreement dated July 25, 2013 with DHFL, Pre-Merger AHFPL (the entity named 'Aadhar Housing Finance Private Limited'), Avanse Financial Services Limited, Prudential International Insurance Holdings Limited, Kapil Wadhawan, Dheeraj Wadhawan, and Aruna Wadhawan (the "**Distribution Agreement**"). All these arrangements are subsisting as of the date of this Red Herring Prospectus.

The table below sets forth, for the periods indicated, the aggregate commission received by the Company from PLI, for distribution of life insurance products, in line with the object clause of the Memorandum of Association as the exclusive distributor of life insurance products of PLI, under the Corporate Agency Agreement and the Distribution Agreement:

(₹ in million, except percentages)

	For FY2021		**For FY2022**		**For FY2023**		**For nine months ended December 31, 2022**		**For nine months ended December 31, 2023**	
	Amount	**% of Total Income**	**Amount**	**% of Total Income**	**Amount**	**% of Total Income**	**Amount**	**% of Total Income**	**Amount**	**% of Total Income**
Commission received	47.6	0.3%	51.3	0.3%	84.8	0.4%	59.7	0.4%	254.2	1.3%

The following table sets forth details of the amounts under the DHFL Loan Pool 2011 and DHFL Loan Pool 2018 as of the dates indicated:

(₹ in million, except percentages)

	As of March 31, 2021		**As of March 31, 2022**		**As of March 31, 2023**		**As of December 31, 2022**		**As of December 31, 2023**	
	Amount	**% of Own Book**	**Amount**	**% of Own Book**	**Amount**	**% of Own Book**	**Amount**	**% of Own Book**	**Amount**	**% of Own Book**
DHFL Loan Pool 2011	27.7	0.0%*	-	-	-	-	-	-	-	-
DHFL Loan Pool 2018	2,330.0	2.2%	1,830.0	1.5%	1,436.0	1.0%	1,520.1	1.1%	1,211.3	0.8%

** Less than 0.1%*

Our Company does not have the right to unilaterally terminate these agreements due to our Company being an exclusive distributor of such products and as such, we may continue to be bound by the Corporate Agency Agreement and the Distribution Agreement until the expiry or termination of such agreements in accordance with their respective term. The term of the Distribution Agreement is 15 years from July 25, 2013 which shall be automatically renewed for a further period of three years unless terminated in accordance with the termination clause of the agreement. The Corporate Agency Agreement is co-terminus with the Distribution Agreement. In the event we experience losses as a result of such arrangements, we would not be able to unilaterally terminate the relevant agreements, and our results of operations and cash flows may be adversely impacted.

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

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

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

Following the application of the SARFAESI Act to HFCs, we are allowed to enforce security interest in accordance with the SARFAESI Act. While the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the value of its collateral, in full or in part. The Debt Recovery Tribunal ("**DRT**") has the power to issue a stay order prohibiting the lender from selling the assets of a defaulted borrower.

As a result, there can be no assurance that any foreclosure proceedings would not be stayed by the DRT or any other relevant authority.

16. ***Our non-convertible debentures are listed on BSE and we are subject to rules and regulations with respect to such listed non-convertible debentures. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, which may have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.***

Our Company has issued redeemable, rated, NCDs of different series, which are listed on the debt segment of BSE. For details of such listed NCDs, see "*Financial Indebtedness – Details of listed Non-convertible debentures issued by our Company*" on page 361. We are required to comply with various applicable rules and regulations in terms of our listed NCDs, including the SEBI Listing Regulations, which requires us to, among other things, disclose our limited review quarterly financial results within a stipulated period from the end of the quarter. The following instances of non-compliance has been reported by BSE, in the last three financial years and as on date of this Red Herring Prospectus:

Sl. No.	Particulars	Relevant provision
1.	Delay in furnishing the intimation for board meeting held on November 7, 2023*	Regulation 50(1) of the SEBI Listing Regulations

** Our Company has paid a fine of ₹5,900 to BSE on March 5, 2024 on account of delay in intimation for board meeting.*

Further, we are qualified as a "high value debt listed entity" as per thresholds set out under the SEBI Listing Regulations and we are required to comply with certain additional provisions of the SEBI Listing Regulations, including, inter alia, Regulations 16 to 27 of the SEBI Listing Regulations, involving composition of the Board and its committees, institution of a risk management committee, specific disclosures for related party transactions, undertaking directors and officers insurance, among others. While we are in compliance with such requirement as on date of this Red Herring Prospectus, if we fail to comply with applicable rules and regulations in future, we may be subject to certain penal actions, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

17. ***We may not be able to identify or correct defects or irregularities in title to the properties which are made collateral to the loans offered by us to our customers, which may adversely affect our business.***

There is no central title registry for real property in India and the documentation of land records in India has not been fully digitized. Property records in India are maintained at the state/ district/ local sub-registrar level and in local languages and are updated manually through physical records. Therefore, property records may not be available online for inspection, may be illegible, untraceable, tampered and incomplete, may not have been updated regularly, may be inaccurate in certain respects or may have been kept in poor condition which may impede title investigations or our ability to rely on such property records. Title to land in India is often fragmented, and in many cases, land may have multiple owners. Title may also suffer from irregularities, such as non-execution or non-registration of conveyance/title deeds and inadequate stamping and may be subjected to encumbrances that we are unaware of and that may not be apparent on the face of the relevant documentation. Any defects in, or irregularities of, title may result in a loss of development or operating rights over the land, which may prejudice our ability to realize the loan amount extended to our customers in case of a default in payment. This will compel us to write off such loans or litigate the cases with a heavy cost and an indefinite time to resolution, which will adversely affect our revenues.

We undertake a property search/ non-encumbrance report/ certificate for all the cases from the empaneled advocates prior to disbursement of the loans and to check that the title to the property is clear and marketable.

Furthermore, there is no mechanism to verify multiple executions on the same day with different registrars or to verify the legitimacy of such executions. We cannot immediately ascertain the legitimacy of the deed without obtaining a certified copy of the deed from the relevant registrar office to verify its genuineness, and this involves cost and time since we are compelled to rely on officials.

Additionally, improperly executed, unregistered or insufficiently stamped conveyance instruments in a property's chain of title, unregistered encumbrances in favor of third parties, rights of adverse possessors, ownership claims of family members of prior owners or third parties, or other defects that a purchaser may not be aware of can affect title to a property. Secondly, any deed if registered is a public document and is easily accessible from the sub registrar by any third party to mutilate the title of the property.

The Government set up the Central Registry of Securitization Asset Reconstruction and Security Interest of India ("**CERSAI**") under SARFAESI in April 2011 to have a central database of all mortgages created by lending institutions; all banks and HFCs which fall under the range of SARFAESI are required to register with CERSAI and submit the data in respect of all properties mortgaged in their favor. However, the avoidance of duplicated application by cross-checking on CERSAI is subject to the accuracy of descriptions of property submitted by borrowers and highlighted in the deeds of sale. In all cases, we verify online CERSAI data before disbursement.

As a result, potential disputes or claims over title to our mortgaged properties may arise. However, an adverse decision from a court or the absence of an agreement with such third parties may result in additional costs and delays in the realization of the loan amount. Also, such disputes, whether resolved in our favor or not, may divert management's attention, harm our reputation, and otherwise disrupt or adversely affect our business, financial condition and results of operations.

18. ***Our Promoter will continue to exert substantial voting control over our Company after completion of the Offer, which may limit your ability to influence the outcome of matters submitted for approval of our shareholders.***

As of the date of this Red Herring Prospectus, our Promoter holds 98.72% and [●]% of our pre-Offer and post-Offer Equity Share capital, respectively. This concentration of ownership could limit your ability to influence corporate matters requiring shareholders' approval. Our Promoter will have the ability to significantly influence matters requiring shareholders' approval, including the ability to appoint Directors on our Board and the right to approve significant actions at Board and at shareholders' meetings, including the issuance of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association. In addition, if our shareholders do not act together, such matters requiring shareholders' approval may be delayed or may not occur at all, which could adversely affect our business. Moreover, these shareholders are not obligated to provide any business opportunities to us. If such other shareholders invest in another company in competition with us, we may lose the support provided to us by them, which could adversely affect our business, results of operations, financial condition and cash flows. We cannot assure you that our existing shareholders will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. Further, the trading price of our Equity Shares could be adversely affected if potential new investors are disinclined to invest in us because they perceive disadvantages to a large shareholding being concentrated in our Promoter. For details of our Equity Shares held by our Promoter, see "*Capital Structure*" on page 74. For details of interests of our Promoters in our Company, see "*Our Promoter and Promoter Group*" on page 212.

19. ***Our secretarial records for certain past allotments and changes in relation to our Registered Office are not traceable. We cannot assure you that legal proceedings or regulatory actions will not be initiated against our Company in future in relation to such untraceable records.***

The secretarial records for certain allotments of Equity Shares made by our Company prior to the Scheme of Amalgamation and changes in relation to our Registered Office could not be traced as the relevant information was not available in the records maintained by our Company, at the MCA Portal maintained by the Ministry of Corporate Affairs and the RoC, despite conducting internal searches and engaging an independent practicing company secretary to conduct the search. The allotments include allotments of 2,899,830 Equity Shares on March 25, 1991, 100,000 Equity Shares in Financial Year 1992, 1,500,000 Equity Shares in Financial Year 1995, and 2,580,705 Equity Shares on April 30, 2001, and the change in the registered office includes change from 72, St. Mark's Road, Bengaluru 560 001, Karnataka to S-401, Brigade Plaza, Ananda Rao Circle, S.C. Road, Bengaluru 560 009, Karnataka.

While certain information in relation to (i) the allotments has been disclosed under "*Capital Structure*" beginning on page 74, and (ii) the registered office has been disclosed in the section "*History and Certain Corporate Matters*" beginning on page 190, based upon the details provided in the search report dated January 30, 2024 prepared by Roy Jacob & Co, independent practicing company secretary, and certified by their certificate dated January 30, 2024, we may not be able to furnish any further information, other than what is already disclosed in "*Capital Structure*" and "*History and Certain Corporate Matters*".

While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and other corporate records and documents as of the date of this Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future.

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

We own a combination of trademarks to establish and protect our brands, logos and marketing designs. For details, see "*Our Business – Intellectual Property*" on page 175. We may be required to resort to legal action to protect our brand names and other intellectual property rights. For example, we filed an online cyber complaint on the National Cyber Crime Reporting Portal in 2020 in relation to the unauthorized and illegal use of our logo and name on a counterfeit and fraudulent website that did not belong to us. This matter is currently pending investigation. For details, please see "*Outstanding Litigation and Material Developments – Litigation involving our Company – Litigation by our Company*" on page 368. Any unauthorized use of our brand names and other intellectual property rights or adverse outcome in such legal proceedings may impact our ability to use our brand names and other intellectual property rights in the manner in which such intellectual property is currently used or at all, which could have a material adverse effect on our business, results of operations and financial condition. Any damage to our brand or our reputation may result in withdrawal of business by our existing customers and loss of new business from potential customers, which could have a material adverse effect on our business, results of operations and financial condition.

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

We have entered into a number of related party transactions, within the meaning of Ind AS-24 and Companies Act, 2013, as applicable. Other than loans given to our own employees, which is the only type of related party transaction between the Company and its employees, and which have lower interest rates based on the employee's tenure with the Company, all of the Company's related party transactions in FY2021, FY2022 and FY2023 and nine months ended December 31, 2023 have been conducted on an arm's length basis, in accordance with our related party transactions policy, in compliance with Companies Act, 2013 and other applicable laws, and contain commercially reasonable terms. However, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such transactions may give rise to potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favor. For further details of historical related party transactions, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – 44 a) Related party transactions*" on page 316.

The following table sets forth our transactions with related parties taken together for the last three FY and for the nine months period ended December 31, 2022 and December 31, 2023 and as a percentage of total transactions of similar nature:

(₹ in million)

Name	Particulars	For the year ended March 31, 2021	% of total transactions of similar nature	For the year ended March 31, 2022	% of total transactions of similar nature	For the year ended March 31, 2023	% of total transactions of similar nature	For the nine months ended December 31, 2022	% of total transactions of similar nature	For the nine months ended December 31, 2023	% of total transactions of similar nature
Income:											
Rishi Anand – Managing Director and CEO (From January 3, 2023)	Interest Income on Housing Loan	-	-	-	-	0.1	0.0%	-	-	0.4	0.0%
Rajesh Viswanathan- CFO	Interest Income on Housing Loan	-	-	-	-	-	-	-	-	0.3	0.0%
Expenditure:											
Deo Shankar Tripathi (as the former Managing Director and CEO)#	Remuneration	21.9	1.2%	23.6	1.0%	25.0	0.8%	18.4	0.8%	28.0	1.0%
Interest paid on fixed deposit held by	Interest Expense	-		0.1	1.3%	0.0*	-	0.0*	0.0%	-	-

Name	Particulars	For the year ended March 31, 2021	% of total transactions of similar nature	For the year ended March 31, 2022	% of total transactions of similar nature	For the year ended March 31, 2023	% of total transactions of similar nature	For the nine months ended December 31, 2022	% of total transactions of similar nature	For the nine months ended December 31, 2023	% of total transactions of similar nature
relative of the former managing director and CEO# (Suman Deo Tripathi)											
Interest paid on Fixed Deposit held by Managing Director and CEO	Interest Expense	-	-	0.2	2.5%	-	-	-	-	-	-
Rishi Anand – Managing Director and CEO (From January 3, 2023)	Remuneration	-	-	-	-	4.0	0.1%	-	-	25.1	0.9%
Rajesh Viswanathan – Chief Finance Officer	Remuneration	17.4	0.9%	18.6	0.7%	19.5	0.6%	15.6	0.7%	24.2	0.8%
Sreekanth VN – Company Secretary (upto September 30, 2023)	Remuneration	6.2	0.3%	6.6	0.3%	7.7	0.2%	6.1	0.3%	5.7	0.2%
Harshada Pathak – Company Secretary (w.e.f. October 01, 2023)	Remuneration	-	-	-	-	-	-	-	-	1.2	0.0%
Others:											
Rajesh Viswanath – CFO	Housing Loan given	-	-	-	-	-	-	-	-	30.0	0.1%

** Less than Rs 50,000*

 # Currently Whole-Time Director and Executive Vice Chairman

1. *Interest Income on Housing Loan – Transactions of similar nature comprise interest income received from loans taken for the purpose of purchase of residential housing during the year/ period.*
2. *Remuneration – Transactions of similar nature comprise employee benefits expense during the year/ period.*
3. *Interest Expense – Transactions of similar nature comprise expenses on interest paid on fixed deposits during the year/ period.*
4. *Housing Loan Given – Transactions of similar nature comprise disbursement during the year/ period.*

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

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

In case insolvency proceedings are initiated against our debtor, we may not have complete control over the recovery of amounts due to us. Under the IBC, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 75% of the voting share of all financial creditors. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. For instance, insolvency proceedings were instituted against a customer of our Company (the "**Corporate Debtor**") by its financial creditors in October 2020 for allegedly committing default in respect of certain units of a project ("**Project**") being developed by the Corporate Debtor and purchased by its creditors. It has been claimed that the Corporate Debtor has mortgaged the Project against a loan of ₹277.6 million borrowed from our Company. The insolvency proceedings are pending and we may not have complete control over the recovery of the loan due to us. For further details, see "*Outstanding Litigation and Material Developments – Litigation involving our Company – Material Civil Litigation*" on page 367.

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

Accordingly, 57.2% and 42.8% of our customers are salaried and self-employed individuals as of December 31, 2023. While the applicable provisions of the IBC in relation to insolvency resolution and bankruptcy for individuals, i.e., Part III of the IBC, are currently not notified, when these provisions of the IBC are notified in the future, it may affect how we recover our loans and enforce our rights in compliance with the IBC with respect to these salaried and self-employed individuals.

23. Our business is primarily focused on the low income housing segment and any adverse development in this segment or in government policies affecting this segment could affect our business and results of operations.

We are a HFC focused on the low income housing segment (ticket size less than ₹1.5 million), targeting primarily first-time home buyers in economically weaker and low-to-middle income segments. The following table sets forth our Gross AUM by income group of our customers as of the dates indicated:

(₹ in million, except percentages)

Income Segment	**As of**									
	March 31, 2021		**March 31, 2022**		**March 31, 2023**		**December 31, 2022**		**December 31, 2023**	
	Amount	**% Share**	**Amount**	**%Share**	**Amount**	**% Share**	**Amount**	**%Share**	**Amount**	**% Share**
EWS(1)	44,649.0	33.5%	48,534.0	32.8%	48,355.4	28.1%	49,818.8	30.1%	50,932.4	25.6%
LIG(2)	63,368.0	47.5%	69,829.0	47.3%	82,141.5	47.7%	79,107.1	47.7%	93,948.0	47.3%
MIG(3)	23,523.0	17.7%	27,145.9	18.4%	39,458.2	22.8%	34,873.0	21.1%	50,253.7	25.3%
HIG(4)	1,731.0	1.3%	2,269.0	1.5%	2,273.2	1.3%	1,865.7	1.1%	3,517.5	1.8%
Total	**133,271.0**	**100.0%**	**147,777.9**	**100.0%**	**172,228.3**	**100.0%**	**165,664.6**	**100.0%**	**198,651.6**	**100.0%**

(1) Economically Weaker Section (EWS): Income up to Rs 0.3 mn p.a.
(2) Low Income Group (LIG): Above Rs 0.3 mn to Rs 0.6 mn p.a.
(3) Middle Income Group (MIG): Above Rs 0.6 mn to Rs 1.8 mn p.a.
(4) High Income Group: Above Rs 1.8 mn p.a.

As a result, our business is significantly dependent on various factors that impact the economically weaker and low-to-middle income segments, including the following:

- the GoI's policies on housing shortages in India. According to the CRISIL Report, the EWS and LIG segments account for 95% of the estimated housing shortage in India;
- decline in India's housing finance industry;
- any changes in Indian regulations and policies affecting housing loans; and
- natural disasters and calamities, and the macroeconomic conditions in India and globally.

Such factors may result in a decrease in the demand for loans in the economically weaker and low-to-middle income segments. A decline in demand for financing from the economically weaker and low-to-middle income segments may adversely affect our financial condition, results of operations and cash flows.

24. Statistical and industry data in this Red Herring Prospectus is derived from the CRISIL Report commissioned and paid by us exclusively for the purpose of the Offer.

The CRISIL Report is not exhaustive and is based on certain assumptions, parameters and conditions made and identified by CRISIL. The data and statistics in the CRISIL Report may be inaccurate, incomplete or unreliable. This Red Herring Prospectus includes information that is derived from the report on 'Industry report on housing finance focused on low income housing segment', April 2024, prepared and issued by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited (together with CRISIL MI&A, "**CRISIL**") ("**CRISIL Report**"), pursuant to an engagement with us. We have exclusively commissioned and paid for the services of CRISIL for the CRISIL Report for the purpose of confirming our understanding of the industry in connection with the Offer. CRISIL Research is not in any manner related to us, our Directors or our Promoter. The CRISIL Report includes definitions and categorizes market participants under headings and definitions such as "HFCs focused on low income housing segment", "large HFCs", "medium HFCs", "small HFCs" and "mini HFCs". These terms, categorizations and definitions are not based on any legal, governmental, or regulatory definition or categorization but have been created by CRISIL specifically to explain the nature of housing loans, the industry, its constituents and the nature of business undertaken in the housing finance industry. The CRISIL Report is subject to various limitations and is based on certain subjective assumptions. Therefore, discussions of matters relating to India, its economy and the industry in which we currently operate are subject to the caveat that the data and statistics upon which such discussions are based may be inaccurate, incomplete or unreliable. Further, there can be no assurance that such data and statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case in other reports. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Red Herring Prospectus.

25. ***We may not be able to maintain our capital to risk weighted assets ratio, which could adversely affect our business.***

The RBI Master Directions – HFC require HFCs to comply with a capital to risk weighted assets ratio ("**CRWAR**"), consisting of Tier I and Tier II capital. We are required to maintain a minimum CRWAR, consisting of Tier I capital and Tier II capital of not less than 15% of our aggregate risk weighted assets and risk adjusted value of off-balance sheet items with Tier-I capital not below 10% at any point of time. Further, we are required to ensure that total Tier-II capital, at any point of time, shall not exceed 100% of the Tier-I capital. This ratio is used to measure an HFC's capital strength and to promote the stability and efficiency of the housing finance system. Further, in November 2023, the RBI issued a circular providing for an increased risk weight on consumer credit exposure (excluding home loans) from 100% to 125%. As a result, loans against property (excluding housing loans) without end use as business may attract the requirement of higher risk weights, which may reduce our CRWAR in the future. The following table sets forth the details of composition of our Tier – I and Tier – II capital as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021 as per the schedule II return filed by the Company with NHB based on standalone financial statements:

(₹ in million, except percentages)

Particulars	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Paid-up Equity Capital	3,947.6	3,947.6	3,947.6	3,947.6	3,947.6
Statutory reserve (Special reserve as per Section 29C of National Housing Bank Act, 1987 and Special reserve as per Section 36(1)(viii) of the Income Tax Act, 1961) (refer note (i) below)	2,609.1	3,499.5	4,589.5	3,499.5	4,589.5
General reserve	926.9	1,361.9	1,906.9	1,361.9	1,906.9
Securities premium	13,370.0	13,370.0	13,370.0	13,370.0	13,370.0
Debenture redemption reserve	1,691.0	1,691.0	1,691.0	1,691.0	1,691.0
Retained earnings	4,308.2	7,434.6	11,245.1	11,475.4	16,712.9
Employee Stock Option Outstanding	0.0	148.7	0.0	0.0	0.0
Deferred revenue expenditure, Other intangible assets & Other ineligible items for Tier I capital	(231.0)	(403.2)	(2,008.4)	(350.3)	(3,385.5)
Tier I Capital *	**26,621.8**	**31,050.1**	**34,741.7**	**34,995.7**	**38,833.0**
General provisions for standard assets	249.2	354.7	529.4	439.4	539.2
Subordinated debt	660.0	492.0	360.0	360.0	240.0
Tier II Capital *	**909.2**	**846.7**	**889.4**	**799.4**	**779.2**
Total Capital Fund (Tier I & Tier II) *	**27,531.0**	**31,896.8**	**35,631.1**	**35,795.1**	**39,612.2**
CRWAR (%)(1) *	44.1%	45.4%	42.7%	44.9%	39.7%
CRWAR – Tier I capital (%)(2)	42.6%	44.2%	41.7%	43.9%	38.9%
CRWAR – Tier II capital (%)(3)	1.5%	1.2%	1.1%	1.0%	0.8%

Notes:

(1) CRWAR (Capital to Risk Weighted Assets Ratio) = Tier I Capital and Tier II Capital / Risk Weighted Assets

(2) CRWAR (Capital to Risk Weighted Assets Ratio) – Tier I Capital = Tier I Capital / Risk Weighted Assets

(3) CRWAR (Capital to Risk Weighted Assets Ratio) – Tier II Capital = Tier II Capital / Risk Weighted Assets

**On standalone basis*

As we continue to grow our loan portfolio and asset base, we will be required to raise additional Tier I and Tier II capital in order to remain in compliance with the applicable capital to risk weighted assets ratios. Further, the RBI may increase its current CRWAR requirements or risk weight for assets, which may require us to raise additional capital. We cannot assure you that we will be able to raise adequate additional capital in the future in order to maintain our CRWAR above the existing and future minimum required levels or otherwise on terms favorable to us, in a timely manner, or at all, which may adversely affect the growth of our business. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Government Policy and Regulation*" on page 341.

26. Our prior joint statutory auditors included a matter of emphasis in their audit report on financial statements as at and for FY ended March 31, 2021.

Our prior joint statutory auditors included the following matter of emphasis in their audit report on our financial statements as at and for FY2021 and did not modify the statutory auditors' opinion in respect of such matter:

"We draw attention to Note 6 (viii) to the consolidated financial statements in which the Group describes the continuing uncertainties arising from the COVID 19 pandemic. Our opinion is not modified in respect of this matter."

Note 6 (viii) in the above matter of emphasis related to the management judgements and estimates based on which we made our impairment loss allowance for FY2021. In FY2021, we made additional provision in light of the uncertainties associated with the COVID-19 pandemic and the then widespread second wave. See "*– The outbreak of severe communicable disease or pandemic, including the resurgence of COVID-19, could have a potential impact on our business, financial condition, cash flows and results of operations.*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations – General Economic Conditions in India and the impact of the COVID-19 outbreak*" for further details of the relevant risks. For further details of the above matter of emphasis, see "*Restated Consolidated Financial Information*" on page 237. There can be no assurance that similar remarks or matters of emphasis will not form part of our financial statements for the future FY, which could subject us to additional liabilities due to which our financial condition may be adversely affected.

27. Our business and result of operations are dependent on the general economic conditions and activities in certain states in which we have concentrated presence and may be adversely affected by difficulties in expanding our business or pursuing new business opportunities in new regions and markets.

As of December 31, 2023, 27.6% of our Gross AUM is from our top two states, namely Uttar Pradesh and Maharashtra. Our concentration in these states exposes us to any adverse geological, ecological, economic and/or political circumstances in those respective regions. If there is a sustained downturn in the economy of those regions or a sustained change in housing market in those regions for any reason, our financial position may be adversely affected. The following table sets forth details of our AUM by state/territory as of the dates indicated:

(₹ in million, except percentages)

AUM BY STATE/TERRITORY	As of									
	March 31, 2021		March 31, 2022		March 31, 2023		December 31, 2022		December 31, 2023	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
Uttar Pradesh	21,221.1	15.9%	22,240.0	15.0%	24,389.6	14.2%	23,757.5	14.3%	27,097.0	13.6%
Maharashtra	20,000.9	15.0%	21,901.1	14.8%	24,281.8	14.1%	23,740.0	14.3%	27,768.0	14.0%
Madhya Pradesh	15,206.1	11.4%	16,022.2	10.8%	17,608.7	10.2%	17,339.7	10.5%	19,515.8	9.8%
Gujarat	14,154.0	10.6%	16,298.1	11.0%	18,859.6	11.0%	18,513.1	11.2%	22,054.5	11.1%
Rajasthan	13,579.1	10.2%	16,726.9	11.3%	21,451.1	12.5%	20,291.6	12.2%	25,297.0	12.7%
Tamil Nadu	9,721.5	7.3%	11,240.3	7.6%	14,061.8	8.2%	13,195.4	8.0%	16,641.2	8.4%
Telangana	7,597.5	5.7%	8,808.6	6.0%	11,204.0	6.5%	10,472.8	6.3%	13,312.7	6.7%
Andhra Pradesh	5,144.4	3.9%	5,640.0	3.8%	6,784.2	3.9%	6,396.5	3.9%	8,345.9	4.2%
Karnataka	6,457.4	4.8%	6,590.6	4.5%	6,731.7	3.9%	6,681.1	4.0%	7,297.2	3.7%
Others	20,189.0	15.1%	22,310.1	15.2%	26,855.8	15.6%	25,276.9	15.3%	31,322.3	15.8%
Total	**133,271.0**	**100.0%**	**147,777.9**	**100.0%**	**172,228.3**	**100.0%**	**165,664.6**	**100.0%**	**198,651.6**	**100.0%**

As part of our growth strategy, we continue to seek to expand our business into new regions and markets. For more details, see "*Our Business – Our Strategy – Expand our Distribution Network to Achieve Deeper Penetration in key states*" and "*- We may not be able to sustain our business growth, which may have a material adverse effect on our business, results of operations, cash flows and financial condition*" on pages 160 and 42, respectively. The new regions and markets may have different regulatory regimes, culture, business practices and customs as compared to our current markets, and our experience in our current markets may not be applicable to these new markets. In addition, our expansion may be exposed to challenges such as competition with the local unorganized or semi-organized private financiers, who may be more familiar with local regulations, business practices and customs, and may have stronger relationships with target customers, obtaining necessary governmental approvals, identifying and collaborating with local business with whom we may have no previous working relationship, attracting and retaining new employees and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. To address these challenges, we may incur costs that we may not recover or may not be able to expand at all, which may adversely affect our business prospects, financial condition, cash flows and results of operations.

28. ***We may not be able to sustain our business growth, which may have a material adverse effect on our business, results of operations, cash flows and financial condition.***

We experienced growth in our business in the past, as indicated in the following table:

(₹ in million)

	As of/for the				
	FY 2021	**FY 2022**	**FY 2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
Total Income	15,755.5	17,285.6	20,435.2	14,882.1	18,951.7
Profit After Tax	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
AUM	133,271.0	147,777.9	172,228.3	165,664.6	1,98,651.6

Our business growth is driven by strategies such as expanding our distribution network, growing our customer base and optimizing our borrowing costs. For further details, see "*Our Business – Our Strategy*" on page 160. However, we cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate. Our ability to sustain our rate of growth depends significantly upon our marketing initiatives, our ability to expand into new regions and markets and our ability to manage key issues such as selecting and retaining key management personnel, maintaining effective risk management policies, continuing to offer products which are relevant to our target base of clients, and ensuring a high standard of customer service and general economic conditions. For risks in relation to our ability to expand into new regions and markets, see "*– Our business and result of operations are dependent on the general economic conditions and activities in certain states in which we have concentrated presence and may be adversely affected by difficulties in expanding our business or pursuing new business opportunities in new regions and markets*" on page 41. Going forward, we may not have adequate marketing resources as well as processes and systems such as credit appraisal and risk management to sustain this growth. Our results of operations depend on a number of internal and external factors, including the increase in demand for low income housing segment loans in India, competition, the RBI's monetary and regulatory policies, NHB / RBI regulations, inflation, our ability to expand geographically and diversify our product offerings and also, significantly, on our net interest income. Further, it cannot be assured that we will not experience issues such as capital constraints, difficulties in expanding our existing business and operations, and hiring and training of new personnel in order to manage and operate our expanded business.

If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers or new businesses, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our business, prospects, financial condition, cash flows and results of operations.

We cannot assure you that our existing or future management, operational and financial systems, processes, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations. Any one or a combination of some or all of the above-mentioned factors may result in a failure to maintain the growth of our AUM which may in turn have a material adverse effect on our business, results of operations, cash flows and financial condition.

29. ***We rely significantly on our information technology systems for our business and operations. A failure, inadequacy or security breach in our information technology and telecommunication systems may adversely affect our business, results of operations, cash flows and financial condition.***

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting and other data processing systems, management information systems and our corporate website may fail to operate adequately or become disabled as a result of events beyond our control, including a disruption of electrical or communications services.

We may also face risks relating to our digital transformation program, including implementing our initiatives such as AHFL Connect, AHF mobile app and services from other external IT service providers and migrating to our Tata Consultancy Services ("**TCS**") platform in FY2020 which subsequently became operational in October 2021. As we implemented the TCS platform concurrently across all our branches, there was some disruption in disbursement numbers in October and November 2021 due to the "learning curve" associated with the adoption of a new technological system, which have settled down since mid-November 2021. Although we have successfully transitioned into our TCS platform, there is no assurance that our transition to our new technological platforms in the future will be smooth or in the manner that we anticipate or that the any or all technologies we adopt will achieve the efficiencies we expect, or that we will not face any disruptions or problems resulting from any or all technologies we use, which may adversely impact the overall productivity of our business and result in business interruptions, which may in turn affect our business, results of operations, cash flows and financial condition. See "*Our Business – Information Technology – Digital Transformation*

Program" on page 174.

Our systemic and operational controls may not be adequate to prevent adverse impact from frauds, errors, hacking and system failures. Further, customer applications and interfaces, may be open to being hacked or compromised by third parties, resulting in thefts and losses to our customers and to us. Some of these cyber threats from third parties include: (a) phishing and trojans – targeting our customers, wherein fraudsters send unsolicited mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex -filtration of account sensitive information; (b) hacking – wherein attackers seek to hack into our website with the primary intention of causing reputational damage to us by disrupting services; (c) data theft – wherein cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; (d) ransomware – a malware which threatens to block or publish data unless a ransom is paid and (e) advanced persistency threat – network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time. In addition, there has been a recent increase in electronic transactions which increases the risk of cyber-attacks. The intention of these attacks is to steal our data or information, or to shut down our systems and only release them for a fee. While we have not experienced any security breach in the last three FYs and nine months ended December 31, 2023 which had a material impact on our financial condition and results of operations, any security breach in the future may cause our customers to lose confidence in the effectiveness of our data security measures, and in turn have an adverse effect on our business, operations, financial condition or cash flows. Any cybersecurity breach could also subject us to the penalties levied for breach of obligations under the Digital Personal Data Protection Act, 2023 ("**DPDP Act**"), see "– *Changing laws, rules and regulations and legal uncertainties, including adverse application of RBI or NHB regulations or tax laws and regulations, may materially adversely affect our business, financial condition, results of operations, cash flows and prospects*" on page 51 for more details.

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

30. We depend on third-party selling agents for referral of 66.5% of our new customers for the nine months ended December 31, 2023, who do not work exclusively for us.

We depend on external direct selling agents ("**DSAs**"), who are typically proprietorships and self-employed professionals, as well as Aadhar Mitras, who are people in non-allied industries (for example, hardware store owners, property brokers and building material suppliers) who act as lead providers to our sales teams in return for referral fees, to source a portion of our customers. For the nine months ended December 31, 2023, DSAs and Aadhar Mitras referred 45.7% and 20.8% of our new customers, respectively. The table below sets forth, for the period ends indicated, the number of our sales managers, DSAs and Aadhar Mitras:

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Number of DSAs	3,149	3,858	4,706	4,380	5,152
Number of Aadhar Mitras	7,617	9,934	11,605	11,035	12,451

Our DSAs pass on leads of any loan requirements of these small businesses to us. Our agreements with such DSAs or Aadhar Mitras typically do not provide for any exclusivity, and accordingly, such DSAs and Aadhar Mitra's can work with other lenders, including our competitors. There can be no assurance that our DSAs and Aadhar Mitras will continue to drive a significant number of leads to us, and not to our competitors, or at all. A significant loss of DSAs and Aadhar Mitras may adversely impact our business, results of operations and financial condition.

31. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter. For details of such financing arrangements, see "*Financial Indebtedness*" beginning on page 360. We cannot assure you that we will be able to pay dividends in the future. For further details, see "*Dividend Policy*" beginning on page 214.

32. We may face asset-liability mismatches, which could affect our liquidity and consequently affect our operations and

financial performance adversely.

We may face potential liquidity risks due to mismatches in the maturity of our assets and liabilities. Such mismatches, where the financial terms of an institution's assets and liabilities do not match, are a key financial parameter for us. The following table sets forth details of our asset-liability mismatch for the dates indicated:

(₹ in million)

	As of March 31, 2021			**As of March 31, 2022**			**As of March 31, 2023**			**As of December 31, 2023**		
	Liabilities (1)	**Assets (2)***	**Gap**	**Liabilities (1)**	**Assets (2)***	**Gap**	**Liabilities (1)**	**Assets (2)***	**Gap**	**Liabilities (1)**	**Assets (2)***	**Gap**
Years												
Up to 1 Year	33,510.4	54,827.2	21,316.8	27,503.5	50,204.7	22,701.1	49,340.5	74,345.4	25,004.9	50,393.7	74,296.9	23,903.1
Up to 3 year	72,449.6	82,337.7	9,888.1	73,054.0	77,811.7	4,757.6	104,915.8	132,999.8	28,084.0	115,449.3	148,785.8	33,336.5
Up to 5 year	93,997.6	104,086.0	10,088.4	99,338.6	99,921.2	582.5	144,978.2	179,110.3	34,132.1	154,997.7	204,680.9	49,683.2
Total (including over 5 years) (3)	**142,015.5**	**148,277.0**	**6,261.5**	**152,625.9**	**163,340.3**	**10,714.4**	**205,647.5**	**274,411.7**	**68,764.2**	**223,423.3**	**288,567.6**	**65,144.4**

**Note: The above asset maturity profile is calculated based on historical customer behaviour on our loan assets.*
(1) Liabilities represent trade payables, debt securities, borrowings (other than debt securities), deposits, subordinated liabilities and other financial liabilities.
(2) Assets represents cash and cash equivalents, other bank balances, housing and other loans, investments, and receivables and other financial assets.
(3) Assets up to 15 years were ₹148,234.4 million as of March 31, 2021, ₹158,422.4 million as of March 31, 2022, ₹272,328 million as of March 31, 2023 and ₹287,442 million as of December 31, 2023. As per NHB guidelines and our internal policies, assets included in over 15 years, are fixed assets, intangibles, other assets such as security deposits and capital advances and non-cash items.

As is typical for a company in the business of lending, a portion of our funding requirements is met through short and medium-term funding sources such as bank loans, non-convertible debentures, refinancing from the NHB or cash credit facilities. We may be unable to obtain additional credit facilities or renew our existing credit facilities for matching the tenure of our liabilities in a timely and cost-effective manner or at all, may lead to mismatches between our assets and liabilities leading to an increase in liquidity risk, which in turn may adversely affect our business, results of operations and financial condition. For further details, see "*Our Business – Risk Management*" on page 171.

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

Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Our credit ratings for the periods indicated are set forth below:

Instrument	**Rating Agency**	**FY2021**	**FY2022**	**FY2023**	**December 2023**	**As of date of this Red Herring Prospectus**
Long-term bank facilities	CARE Ratings	AA/Stable	AA/Stable	AA/Stable	AA/ Stable	AA/Stable
	ICRA Ratings	-	-	AA/ Stable	AA/ Stable	AA/ Stable
Long-term — NCDs	CARE Ratings	AA/Stable	AA/Stable	AA/Stable	AA/ Stable	AA/Stable
	Brickworks Ratings	AA/Stable	AA/Stable	AA/Stable	AA/ Stable	AA/Stable
	ICRA Ratings	-	-	AA/ Stable	AA/ Stable	AA/ Stable
	India Ratings	-	-	AA/ Stable	AA/ Stable	AA/ Stable
Bank loans	India Ratings	-	-	-	AA/ Stable	AA/ Stable
Subordinate debt	CARE Ratings	AA-/ Stable	AA-/ Stable	AA/ Stable	AA/ Stable	AA/ Stable
	Brickworks Ratings	AA/Stable	AA/ Stable	AA/ Stable	-	-
Fixed deposit	CARE Ratings	-	-	AA/ Stable	AA/ Stable	AA/ Stable
	CRISIL Ratings	FAA-/Stable	FAA-/Stable	-	-	-
Short-term – Commercial paper	CRISIL Ratings	A1+	A1+	A1+	-	-
	ICRA Ratings	A1+	A1+	A1+	A1+	A1+
Short-term	India Ratings	A1+	A1+	-	-	-

Instrument	Rating Agency	FY2021	FY2022	FY2023	December 2023	As of date of this Red Herring Prospectus
issuer rating						

Although we have not experienced any downgrades in our credit ratings in the past three FY and the nine months ended December 31, 2023, we cannot assure you that there will not be any downgrades in our credit ratings in the future. Any downgrades in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may in turn adversely affect our business, financial condition, results of operations and cash flows. Further, any downgrade in our credit ratings may also trigger an event of default or acceleration of certain of our borrowings and also lead to lenders imposing additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations and financial condition. In the event of any downgrade in our credit ratings, we cannot assure you that we would be able to refinance any debt on acceptable terms or at all.

34. ***Borrowing for the purchase or construction of property may not continue to offer borrowers the same fiscal benefits it currently offers and the housing sector may not continue to be regarded as a priority sector by the Government, which may adversely affect our business, prospects, financial condition and results of operations.***

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

The RBI has also provided incentives to the housing finance industry by extending priority sector status to housing loans. In addition, pursuant to Section 36(1)(viii) of the Income Tax Act, 1961, up to 20% of profits from eligible business computed under the head "profits and gains of business or profession", may be carried to a "Special Reserve" and are not subject to income tax. This would be applicable till the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid-up share capital (excluding the amounts capitalized from reserves) and general reserves of the company. Further, in terms of the Section 41(4A) of the Income Tax Act, 1961, where a deduction has been allowed in respect of any special reserve created and maintained under Section 36(1)(viii) of the Income Tax Act, 1961, any amount subsequently withdrawn from such special reserve shall be deemed to be the profits and gains of business or profession and accordingly be chargeable to income tax as the income of the previous year in which such amount is withdrawn, if it does not, this may result in a higher tax outflow. By way of notification no. NHB(ND)/DRS/Pol. Circular No. 62/2014 dated May 27, 2014, NHB stipulated that all HFCs were required to create a deferred tax liability ("**DTL**") on the Special Reserve created from current and past profits, irrespective of whether it had intended to withdraw from such reserve or not, however, pursuant to the NHB circular no. NHB (ND)/DRS/Policy Circular No. 89/201718 dated June 14, 2018 we are required to comply with Ind AS for our accounting. As per Ind AS we are not required to create deferred tax liability on special reserve and accordingly, we have not created tax liability on special reserve.

In addition, availing of housing loans for residential properties has become attractive due to certain government schemes and income tax exemptions on the repayment of loans and interest payments. Principal repayment qualifies for tax deduction under section 80C of the Income Tax Act, 1961 and interest payment qualifies for a reduction in taxable income as per the maximum limit specified in Income Tax Act, 1961. There can be no assurance that the government will continue with such schemes or tax benefits on housing loans and any significant change by the government in its monetary policy or tax laws, may adversely affect our business and results of operations. Changes in tax laws and reduction in tax concessions for housing loans may negatively impact the housing market and the housing loan market in general, which could adversely affect our business, financial condition, cash flows and results of operation.

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

We are required to obtain, and have obtained, certain statutory and regulatory licenses and approvals under various central, state and local government rules in India for our business and operations. These include registration with the NHB for carrying out business as an HFC, intimations made to the NHB for opening of new branches and licenses and registrations required under various applicable national and state labor laws in force. For further information, see "*Government and Other Approvals*" on page 372. Several of these approvals are granted for a limited duration. Some of these approvals have expired and we have either made or are in the process of making an application for obtaining the approval for its renewal. For details, see "*Government and Other Approvals- Material approvals to be obtained by our Company*" page 374. Further, our Company is in the process of amending the shops and establishment registrations of certain branches to reflect the correct address' of such branches. There can be no assurance that the relevant authorities will renew required registrations and licenses in the anticipated timeframe, or at all.

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

36. We have contingent liabilities and our financial condition may be adversely affected if these contingent liabilities materialize.

We have recorded contingent liabilities, in accordance with Ind AS 37. The contingent liabilities consist of liabilities on account of income tax and indirect tax matters of earlier years. Below are the details of contingent liabilities as of March 31, 2021, March 31, 2022 and March 31, 2023 and as of December 31, 2022 and December 31, 2023:

(₹ in million)

Particulars	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As of December 31, 2022	As of December 31, 2023
Income tax matters of earlier years*	2.1	35.7	37.8	37.8	30.0
Indirect tax matters of earlier years	-	21.6	52.1	48.2	113.6
Total*	**2.1**	**57.3**	**89.9**	**86.0**	**143.6**

** Part of the aforementioned contingent liabilities towards income tax have been paid under protest.*

In the event that any of these contingent liabilities materialize, our results of operations and financial condition may be adversely affected.

37. Security breaches of customers' confidential information that we store may expose us to liability and harm our reputation.

As part of our business, we store and have access to customers' bank information, credit information and other sensitive data. Any accidental security breaches or other unauthorized access to confidential information could expose us to liability related to the loss of the information, legal proceedings against us including the potential imposition of penalties, and negative publicity. Data security breaches could lead to the loss of trade secrets or other intellectual property, or the public exposure of personal information (including sensitive financial and personal information) of our customers and employees. Security measures could be breached by third-party actions, intrusion into our software by hackers due to software flaws or due to employee error and malfeasance. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. While we have not experienced any security breaches in the last three FYs and nine months ended December 31, 2023 which had a material impact on our financial condition and results of operations, any security breach in the future may cause our customers to lose confidence in the effectiveness of our data security measures, and in turn have an adverse effect on our business, operations, financial condition or cash flows. For details of the applicable laws on data security, see "– *We rely significantly on our information technology systems for our business and operations. A failure, inadequacy or security breach in our information technology and telecommunication systems may adversely affect our business, results of operations, cash flows and financial condition*" on page 42.

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

Reputational risk arising from negative publicity is inherent in our business. Negative publicity may include public opinion about the banking and financial services industry generally or about us specifically, which could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. Further, negative publicity may arise from our own or our third-party service providers' actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organizations in response to that conduct. While we have not experienced any negative publicity that has had a material adverse effect on our reputation, business or financial results in the last three FY and nine months ended December 31, 2023, any adverse publicity in relation to our industry in general or specifically in relation to our Company and our third-party service providers could rapidly erode customer trust and confidence in us. Although we take steps to minimize reputational risk in dealing with customers and other constituencies, we, as a large financial services organization with a high industry profile, are inherently exposed to this risk.

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

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with, and appropriate to, our operations. For further details on our insurance coverage, see "*Our Business – Insurance*" on page 176. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or on time. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or such insurance is not available to us on acceptable terms. While we have not encountered any claims in the past which have exceeded our present insurance coverage, we cannot assure you that that we will not face claims in the future that exceed or which are not covered by our existing insurance coverage, which could adversely affect our business, financial condition, cashflows and results of operations. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, cashflows and results of operations.

40. ***We, together with our Promoter, are required to comply with certain restrictive covenants in relation to its shareholding, under our financing agreements.***

Under certain agreements in relation to the refinancing availed from the NHB, our Promoter is required to submit a non-disposal undertaking with respect to its shareholding in the Company, and any transfer and/or dilution of our Promoter's shareholding in our Company requires prior approval from the NHB. Such restrictions on the transferability of shareholding of our Promoter, if not waived by NHB in a timely manner or at all could prevent, in the future, a change in control, merger, consolidation, takeover or other business combination involving us.

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

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses. Many financial services businesses provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. Such non-GAAP measures are not measures of operating performance or liquidity defined by generally accepted accounting principles. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry. Therefore, such non-GAAP measures may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other banks in India or elsewhere and are not measures of operating performance or liquidity defined by Indian GAAP and may not be comparable to similarly titled measures presented by other banks / companies. For a reconciliation of the non-GAAP measures presented in this section, see "*Selected Statistical Information – Non-GAAP Reconciliations*" on page 234 of this Red Herring Prospectus and relevant reconciliations in the respective sections of this Red Herring Prospectus.

42. ***Annualized financial data contained in this Red Herring Prospectus may not reflect our future performance.***

We present certain financial data on an annualized basis ("**Annualized Financial Data**") in this Red Herring Prospectus. These calculations do not take into account seasonality factors or any other factor which could impact quarter-on-quarter or period-on-period variations, and may not reflect our actual performance for the period presented. The presentation of Annualized Financial Data has limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our operating results. Annualized Financial Data are not standard measures under the Indian GAAP and should not be considered in isolation or construed as alternatives to net income/loss, cash flow or any other measure of financial performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Annualized Financial Data presented herein may not be comparable to similarly titled measures presented by other companies.

43. ***Our management will have flexibility over the use of the Net Proceeds of the Fresh Issue.***

We intend to use the Net Proceeds of the Fresh Issue towards (i) meeting our future capital requirements towards onward lending; and (ii) general corporate purposes, in the manner indicated in "*Objects of the Offer*" on page 91 and in compliance with the applicable law. Our Company may not apply the Net Proceeds of the Fresh Issue in ways that increase the value of your investment. Various risks and uncertainties, including those set forth in this "*Risk Factors*" section, may limit or delay our efforts to use the Net Proceeds of the Fresh Issue in the manner indicated in "*Objects of the Offer*" on page 91.

44. The Offer consists of an offer for sale, the proceeds of which will not be available to us.

As this Offer includes an offer for sale of Equity Shares by the Promoter Selling Shareholder, the proceeds from the Offer for Sale (net of the expenses in relation to the Offer which are payable by the Promoter Selling Shareholder) will be remitted to the Promoter Selling Shareholder and our Company will not benefit from such proceeds.

45. The average cost of acquisition of the Promoter Selling shareholder may be below the Offer Price.

The average cost of acquisition of the Promoter Selling Shareholder for 389,683,420 Equity shares is ₹80.54 which may be lower than the Offer Price. For details, see "*Basis for Offer Price*" and "*Capital Structure*" on pages 97 and 74, respectively. The Offer Price is not indicative of the price at which our Company has issued the Equity Shares in the past or that will prevail in the open market following listing of the Equity Shares.

46. We expect to be classified as a passive foreign investment company, and our U.S. shareholders may suffer adverse tax consequences as a result.

We will be a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes for any taxable year in which (i) 75% or more of our gross income consists of "passive income" or (ii) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, passive income. For this purpose "passive income" generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions with exceptions for, among other things, dividends, interest, rents and royalties received from certain related companies to the extent attributable (in accordance with U.S. Treasury regulations) to non-passive income derived by such related companies, as well as for gains from sale or exchange of inventory or similar property. In addition, for the PFIC asset test, cash and cash equivalents are considered passive assets. Based on estimates of our gross income, gross assets, and the nature of our business, we believe that we were a PFIC in the taxable year ended March 31, 2023 and expect to be classified as a PFIC in the current taxable year and in the foreseeable future. If we are classified as a PFIC for any taxable year, U.S. investors may be subject to adverse U.S. federal income tax consequences, including increased tax liability on gains from dispositions of Equity Shares and certain excess distributions, and a requirement to file annual reports with the U.S. Internal Revenue Service. Prospective U.S. investors should consult their tax advisors regarding the Company's PFIC status and the consequences to them if we are classified as a PFIC for any taxable year.

Alternatively, a U.S. taxpayer that makes a timely and effective "QEF election" generally will be subject to U.S. federal income tax on such U.S. taxpayer's pro rata share of our "net capital gain" and "ordinary earnings" (calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by us. For a U.S. taxpayer to make a QEF election, we must supply annually to the U.S. taxpayer the "PFIC Annual Information Statement" and permit the U.S. taxpayer access to certain information in the event of an audit by the U.S. tax authorities. We do not intend to provide information necessary for U.S. Holders to make QEF elections. As a possible second alternative, if available, a U.S. taxpayer may make a "mark-to-market election" with respect to a taxable year in which we are a PFIC and the Equity Shares are "marketable stock" (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Equity Shares as of the close of such taxable year over (b) such U.S. taxpayer's adjusted tax basis in such Equity Shares. Prospective U.S. investors should consult their tax advisors regarding the Company's PFIC status and the consequences to them if we are classified as a PFIC for any taxable year. For a more detailed explanation of the tax consequences of PFIC classification to U.S. Holders, see "*Certain U.S. Federal Income Tax Considerations — Passive Foreign Investment Company Rules*" on page 115.

47. Fluctuations in the market value of our investments could adversely affect our results of operations and financial condition.

Fluctuations in the market values of our investments as part of Treasury Management could cause us to write down the value of our assets, affect our liquidity and reduce our ability to enforce our security, which could adversely affect our result of operations and financial condition. We may not accurately identify changes in the value of our investments caused by changes in market prices, and our assessments, assumptions or estimates may prove inaccurate or not predictive of actual results.

48. The outbreak of severe communicable disease or pandemic, including the resurgence of COVID-19, could have a potential impact on our business, financial condition, cash flows and results of operations.

The outbreak, or threatened outbreak or resurgence, of any severe communicable disease or pandemic (particularly COVID-19) could adversely affect the overall business sentiment and may result in a slowdown in economic growth and an increase in customer delinquencies.

Further, regulatory updates in response to an outbreak, or threatened outbreak or resurgence, of any severe communicable disease or pandemic may also adversely lead to our business interruption. For example, during the COVID-19 outbreak, pursuant to the RBI's directions, we granted moratorium on payment of requested instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers who requested for moratorium or failed to pay instalments. As of March 31, 2021, March 31, 2022 and March 31, 2023 and as of December 31, 2022 and December 31, 2023, we had impairment loss allowance amounting to ₹1,478.4 million, ₹1,718.1 million, ₹1,861.0 million, ₹ 1,922.5 million and ₹ 2,168.7 million, respectively, for loans on a consolidated basis which also includes provision for increased risk of deterioration of our loan portfolio on account of macroeconomic factors caused by the COVID-19 pandemic. Regulatory updates which direct us to provide customers with a moratorium on repayment could adversely affect our business, financial condition, cash flows and results of operations.

49. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain client accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple and market capitalization.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of client accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

50. We have experienced delays in payment of certain statutory dues including employee state insurance corporation contributions, provident fund contributions and income tax payments in the past.

In the past, we have experienced delays of payments of certain statutory dues including employee state insurance corporation contributions, provident fund contributions and income tax payments.

The employee provident fund ("**EPF**") contribution is applicable to 3,999 employees of our Company as on March 31, 2024. Delays in payment towards EPF contributions during the FY2022, FY2019 and FY2018 are set out below:

FY	Reason for delay
2022	Delay in payment of EPF by our Subsidiary towards 44 employees and our Company towards 156 employees, due to, inter alia, non-linkage by certain employees of their Aadhar card with UAN.
2019	Delay in payment of EPF by our Subsidiary towards 1,273 employees, due to, inter alia, procedural delays due to incorporation of our Subsidiary in that year.
2018	a) One day delay in payment of EPF towards 295 employees by our Company. b) Delay in payment of EPF by our Subsidiary towards 194 employees in November 2017, 1,025 employees in January 2018 and 1,150 employees February 2018 due to, inter alia, procedural delays due to incorporation of our Subsidiary in that year.

There has been no delay in payment towards EPF contributions in FY2021, FY2023 and the nine-months ended December 31, 2023.

Except as disclosed below, there are no delays in payment towards employee state insurance corporation contributions ("ESIC") and income tax ("IT") payments by our Company and our Subsidiary during the FY2021, FY2022 and FY2023 and the nine-months ended December 31, 2023:

FY	Reason for delay
ESIC	
2021	a) One day delay in payment of ESIC by our Company towards all our employees due to, inter alia, connectivity issues on the due date of filing. b) Delay in payment of ESIC by our Subsidiary towards 475 employees of our Subsidiary, due to, inter alia, website issue.
IT	
2021	Delay in payment of tax deducted at source by our Company in relation to few vendor payments, due to late identification of TDS liability for the relevant month.
2022	Delay in payment of tax deducted at source by our Subsidiary in relation to few vendors of our Subsidiary, due to late identification of TDS liability for the relevant month.
2023	Delay in payment of tax deducted at source by our Subsidiary in relation to few vendors of our Subsidiary, due to late identification of TDS liability for the relevant month.

While our Company has undertaken corrective actions to avoid any such delays in payments in the future, we cannot assure you that no such delays will occur in the future, and it may have a material impact on our financials or results of operations.

EXTERNAL RISK FACTORS

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

   The Government of India has been pursuing various social welfare schemes and initiatives to create an enabling and supportive environment to both enhance the flow of credit to the housing sector and increase home ownership in India. Various Central Government policies and initiatives such as "Smart Cities" and the "Pradhan Mantri Awas Yojana" or the "Housing for all by 2022" scheme have reinforced the primacy of the housing sector and the need to provide housing to all and are expected to promote the low income housing segment through partnerships with private sector entities. However, it is not clear how certain trends and events, such as the impact of COVID-19 on the economy the pace of India's economic growth, the development of domestic capital markets and the ongoing reform will affect India's housing finance industry. In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable. Any slowdown or reversal of the growth of India's housing finance industry may affect our business, results of operations, cash flows and financial condition.

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

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

   Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost capital, and to charge optimum interest rates when lending to our customers. Consequently, our ability to maintain or increase our margins will be dependent on our ability to pass on increases in the interest rates on our interest-bearing liabilities to our customers. Moreover, any increases in the interest rates on the loans we extend may also result in a decrease in business. For instance, we increased RPLR by 50 BPS during the month of October 2022 and 75 BPS in April 2023 to compensate for increase in finance cost on borrowing in FY2023 and FY2024. This has resulted in an increase in our finance cost for the nine months ended December 31, 2023 and the partial impact on our finance cost is expected to set in the fourth quarter of FY2024 which may impact the spread earned by us. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations – Our ability to maintain our net interest income and net interest margin*" on page 340 for further details. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive housing finance industry. If we are unable to compete effectively, our business and results of operations may be adversely affected.

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

3. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of RBI or NHB***

regulations or tax laws and regulations, may materially adversely affect our business, financial condition, results of operations, cash flows and prospects.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations, financial condition, cash flows and future prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The GoI has announced the interim union budget for Financial Year 2025, pursuant to which the Finance Bill, 2024, introduced various amendments. While the Finance Act, 2024 does not propose any significant changes to the Income Tax Act, 1961, the entire union budget which is likely to be announced later this year may introduce amendments to the Income Tax Act, 1961. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

The Government of India recently enacted the Data Protection Act, which received President of India assent on August 11, 2023 which will come into force on such date as the Central Government may, by notification in the Official Gazette. The Data Protection Act, when notified, would require data fiduciaries (persons who alone or in conjunction with other persons determine purpose and means of processing of personal data), such as us, to implement organizational and technical measures to ensure compliance under the Data Protection Act, protect personal data and impose reasonable security safeguards to prevent reach of personal data and establish mechanism for redressal of grievances of data principles. In case we are notified as a significant data fiduciary under the Data Protection Act, we may have additional obligations imposed on us. Overall, changes in laws or regulations relating to privacy, data protection, and information security, particularly any new or modified laws or regulations, such as the General Data Protection Regulation adopted by the European Union, or changes to the interpretation or enforcement of such laws or regulations, that require enhanced protection of certain types of data or new obligations with regard to data retention, transfer, or disclosure, could require us to modify our existing systems or invest in new technologies to ensure compliance with such applicable laws, which may require us to incur additional expenses. Any actual, alleged or perceived failure to prevent a security breach or to comply with our privacy policies or privacy-related legal obligations, failure in our systems or networks, or any other actual, alleged or perceived data security incident we or our suppliers suffer, could result in damage to our reputation, negative publicity, loss of customers and sales, loss of competitive advantages over our competitors, increased costs to remedy any problems and provide any required notifications, including to regulators and/or individuals, and otherwise respond to any incident, regulatory investigations and enforcement actions, costly litigation such as civil claims including representative actions and other class action type litigation, and other liabilities.

Further, the GoI introduced new laws relating to social security, occupational safety, industrial relations and wages namely, the Code on Social Security, 2020 ("**Social Security Code**"), the Occupational Safety, Health and Working Conditions Code, 2020, the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labor legislations, were to take effect from April 1, 2021 (collectively, the "**Labor Codes**") and the Bharatiya Nyaya (Second) Sanhita, 2023, Bharatiya Nyaya Sakshya Sanhita, 2023 and Bhartiya Sakshya Sanhita, 2023 have replaced the Indian Penal Code, 1860, Code of Criminal Procedure, 1973 and the Indian Evidence Act, 1872, respectively. The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. While the rules for implementation under these codes have not been finalized, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. Any future amendments may affect our benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future and may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would adversely affect our profitability.

RISKS RELATING TO INDIA

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

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

2. Financial difficulty and other problems in certain financial and other non-banking financial institutions in India could materially adversely affect our business and the price of our Equity Shares.

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

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

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

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

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

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

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

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

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

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

We are incorporated in India and we conduct our corporate affairs and our business in India. Our Equity Shares are to be listed on the BSE and the NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

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

- Any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- The impact of international trade wars or uncertain or unfavorable policies on international trade or (whether or not

directly involving the Government of India);

- Any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;

- Prevailing income conditions among Indian customers and Indian corporations;

- Epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;

- Macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;

- Volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;

- Decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;

- Political instability, including terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries, such as the conflict between Ukraine and Russia;

- Civil unrest, acts of violence, regional conflicts or situations or war may adversely affect the financial markets;

- International business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;

- Logistical and communication challenges;

- Downgrading of India's sovereign debt rating by rating agencies;

- Changes in government policies, including taxation policies, social and civil unrest and other political, social and economic developments in or affecting India;

- Occurrence of natural calamities and force majeure events;

- Difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis; and

- Being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so.

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

7. Investors may have difficulty enforcing foreign judgments in India against us or our management.

We are constituted in India. All of our Directors and Key Managerial Personnel named herein are residents of India and all of our assets are located in India. As a result, it may not be possible for investors outside of India to effect service of process on us or such persons from their respective jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India predicated upon our civil liabilities or such Directors and the Managing Director and Chief Executive Officer under laws other than Indian Law. Moreover, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with Indian public policy.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, which includes, the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of 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, UAE, 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 recognize 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. Under the Civil Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favor 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 is 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. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

8. ***Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

The financial statements included in this Red Herring Prospectus have been prepared in accordance with Ind AS and Indian GAAP. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Ind AS and Indian GAAP financial statements, which are restated as per the SEBI ICDR Regulations included in this Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should be limited accordingly.

RISKS RELATING TO THE EQUITY SHARES AND THE OFFER

1. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Any gain realized on the sale of our Equity Shares on a stock exchange held for more than 12 months is subject to long term capital gains tax in India. Such long-term capital gains exceeding ₹ 100,000 arising from the sale of listed equity shares on a stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). A securities transaction tax ("**STT**") will be levied on and collected by an Indian stock exchange on which our Equity Shares are sold. Any gain realized on the sale of our Equity Shares held for more than 12 months by an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to long-term capital gains tax in India. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to short-term capital gains tax at a higher rate compared to the transaction where STT has been paid in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident.

As a result, subject to any relief available under an applicable tax treaty or under the laws of their own jurisdictions, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of our Equity Shares.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020 and clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. The Finance Act, 2020, has, inter alia, amended the tax regime, including a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, that such dividends not be exempt in the hands of the shareholders, and that such dividends are likely to be subject to tax deduction at source. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

The Government of India announced the interim union budget for Fiscal 2025 and the Finance Bill in the Lok Sabha on February 1, 2024. The Finance Bill, 2024 has received assent from the President of India on February 15, 2024 and has been enacted as the Finance Act 2024. We cannot predict whether any amendments made pursuant to the Finance Act 2024 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations, governing our business and operations could result in us being deemed to be in contravention of such laws requiring us to apply for additional approvals.

2. ***The Equity Shares have never been publicly traded and the Offer may not result in an active or liquid market for the Equity Shares.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Indian 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, the liquidity of such market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Offer Price, or at all. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the Stock Exchanges and securities markets elsewhere in the world.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Red Herring Prospectus. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- The failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- The activities of competitors and suppliers;
- Future sales of the Equity Shares by us or our shareholders;
- Investor perception of us and the industry in which we operate;
- Our quarterly or annual earnings or those of our competitors;
- Developments affecting fiscal, industrial or environmental regulations;
- The public's reaction to our press releases and adverse media reports; and
- General economic conditions.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

3. ***The Offer Price of the Equity Shares, price to earnings ("P/E") ratio and market capitalization to revenue from operations ratio may not be indicative of the market price of the Equity Shares on listing or thereafter.***

The Offer Price of the Equity Shares will be determined by our Company in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 97 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment. Any future issuance of Equity Shares, or convertible securities or other equity linked securities by us may dilute your shareholding and any sale of Equity Shares by our Promoter and other major shareholders may adversely affect the trading price of the Equity Shares.

The relevant financial parameters based on which the Price Band would be determined shall be disclosed in the advertisement to be issued for publication of the Price Band.

The following table provides certain other financial parameters, on a consolidated basis, as of and for the periods/years indicated:

(₹ in million)

Particulars	As of and for the year/period ended				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Revenue from Operations	15,753.3	17,282.7	20,432.3	14,878.0	18,950.2
Profit/ (loss) for the year/ period	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8

Our price to earnings ratio for the FY 2023 is [●] times at the upper end of the Price Band and [●] times at the lower end of the Price Band and our market capitalization to revenue from operations for FY 2023 multiple is [●] times at the upper end of the Price Band and [●] times at the lower end of the Price Band, and. The table below provides details of our price to earnings ratio and market capitalization to revenue from operations at Offer Price for the period indicated:

Particulars	Price to Earnings Ratio	Market Capitalization to Revenue from Operations
	At Offer Price	
For FY 2023	[●]	[●]

**To be populated at Prospectus stage*

Further, there can be no assurance that our key performance indicators ("**KPIs**") will improve or become higher than our listed comparable industry peers in the future. An inability to improve, maintain or compete, or any reduction in such KPIs in comparison with the listed comparable industry peers may adversely affect the market price of the Equity Shares. There can be no assurance that our methodologies are correct or will not change and accordingly, our position in the market may differ from that presented in this Red Herring Prospectus.

We may be required to finance our growth through future equity offerings. Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by us, including through exercise of employee stock options may dilute your shareholding. The disposal of Equity Shares by our Promoters or any of our Company's other principal shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. Further, we cannot assure you that our Promoters and other major shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

4. ***Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they are Allotted in the Offer.***

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the Stock Exchanges within a prescribed time. Accordingly, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all and there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares.

5. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

6. ***Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares or securities linked to the Equity Shares by our Company, including issuance of Equity Shares to employees or former employees up on exercise of vested options held by them under the ESOP 2018 and the ESOP 2020, may dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise funds through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoter will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

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

Our Articles, the instructions issued by the NHB and the RBI, and Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a bank or corporate entity 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 one of our shareholders than as a shareholder of a bank or corporate entity in another jurisdiction.

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

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

9. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations which are currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions, then prior approval of the relevant regulatory authority is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions.

For further information, see "*Restrictions on Foreign Ownership of Indian Securities"* on page 423. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, cash flows, results of operations and prospects.

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

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the 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 who have voted 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 us 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. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

11. 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 the SEBI ICDR 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. RIBs can revise or withdraw their Bids during the Bid/Offer Period. While our Company is required to complete Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including 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 pursuant to the Offer. 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 Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares of face value of ₹ 10 each[(1)(2)]		Up to [●] Equity Shares aggregating up to ₹30,000 million
of which:		
(i)	Fresh Issue[(1)]	Up to [●] Equity Shares aggregating up to ₹10,000 million
(ii)	Offer for Sale[(2)]	Up to [●] Equity Shares aggregating up to ₹20,000 million by the Promoter Selling Shareholder
The Offer consists of:		
(i)	Employee Reservation Portion[(3)]	Up to [●] Equity Shares, aggregating up to ₹70 million
(ii)	Net Offer	Up to [●] Equity Shares, aggregating to ₹ [●] million
The Net Offer consists of:		
A)	QIB Portion[(4)(5)]	Not more than [●] Equity Shares
	of which:	
	Anchor Investor Portion[(5)]	Up to [●] Equity Shares
	Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
	of which:	
	Available for allocation to Mutual Funds only (5% of the Net QIB Portion)[(5)]	[●] Equity Shares
	Balance of QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B)	Non-Institutional Portion[(4)]	Not less than [●] Equity Shares
	of which*:*	
	One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000	[●] Equity Shares
	Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1,000,000	[●] Equity Shares
C)	Retail Portion[(4)]	Not less than [●] Equity Shares
Pre-Offer and post-Offer Equity Shares		
Equity Shares outstanding prior to the Offer		394,754,970 Equity Shares
Equity Shares outstanding after the Offer		[●] Equity Shares
Utilisation of Net Proceeds		See "*Objects of the Offer*" beginning on page 91 for details regarding the use of proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Fresh Issue has been authorized by the resolutions of our Board of Directors and our IPO Committee at their meetings held on January 21, 2024 and January 31, 2024, and a special resolution passed by our Shareholders at their meeting held on January 24, 2024.

(2) The Promoter Selling Shareholder has authorised and consented to participate in the Offer for Sale. For details on the authorisations and consent of the Promoter Selling Shareholder in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 376. The Promoter Selling Shareholder has specifically confirmed that the Offered Shares have been held for a period of at least one year immediately preceding the date of filing the Draft Red Herring Prospectus with SEBI, and are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations.

(3) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000 (net of Employee Discount, if any)), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Retail Portion in the Net Offer and such Bids will not be treated as multiple Bids. For further details, see "Offer Structure" beginning on page 400.

(4) Subject to valid bids being received at or above the Offer Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws. In case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority: (i) through the sale of Offered Shares being offered by the Promoter Selling Shareholder in the Offer for Sale; and (ii) through the issuance of balance part of the Fresh Issue. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in "Terms of the Offer" beginning on page 394.

(5) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, 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 Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be 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. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" beginning on page 404.

Allocation to Bidders in all categories except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each of the RIB and the NIB, 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 allocated on a proportional basis. One-third of the Non-Institutional Portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000, two-thirds of the Non-Institutional Portion shall be reserved for Bidders with an application size of more than ₹1,000,000 and the unsubscribed portion in either of the above subcategories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allocation of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate.

For further details, see "*Offer Procedure*" beginning on page 404. For details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure*" and "*Offer Procedure*" beginning on pages 400 and 404, respectively.

For details of the terms of the Offer, see "*Terms of the Offer*" beginning on page 394.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information as at and for the nine months ended December 31, 2023 and December 31, 2022, and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021.

The Restated Consolidated Financial Information referred to above is presented under "Financial Information" beginning on page 237. The summary of financial information presented below should be read in conjunction with the Restated Consolidated Financial Information, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 335*.*

(*The remainder of this page is intentionally left blank*)

RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in million, unless otherwise stated)

Particulars			As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at December 31, 2022	As at December 31, 2023
		Assets					
1.		**Financial assets**					
a)		Cash and cash equivalents	3,835.0	5,741.7	4,051.4	5,746.7	1,884.7
b)		Other bank balances	17,877.8	11,359.9	15,128.6	10,971.6	10,332.8
c)		Receivables	27.2	51.9	79.7	42.1	258.5
d)		Housing and other loans	106,132.6	119,603.4	138,514.5	134,092.2	159,094.5
e)		Investments	4,970.9	3,380.2	4,594.0	4,173.9	4,706.7
f)		Other financial assets	2,153.2	2,453.4	2,588.5	2,565.7	2,607.6
			134,996.7	**142,590.5**	**164,956.7**	**157,592.2**	**178,884.8**
2.		**Non-financial assets**					
a)		Current tax assets (Net)	342.8	242.2	88.2	153.7	81.2
b)		Property, plant and equipment	163.9	208.1	247.5	227.2	282.7
c)		Right to use assets	354.7	334.7	382.8	382.3	478.2
d)		Other intangible assets	12.7	7.9	2.9	4.0	14.1
e)		Deferred tax assets (Net)	2.8	2.8	2.6	2.1	3.0
f)		Other non-financial assets	429.7	371.9	498.0	555.1	611.7
			1,306.6	**1,167.6**	**1,222.0**	**1,324.4**	**1,470.9**
		Total assets	**136,303.3**	**143,758.1**	**166,178.7**	**158,916.6**	**180,355.7**
		Liabilities and equity					
		Liabilities					
1.		**Financial liabilities**					
a)		Trade payables					
	i)	Total outstanding dues to micro enterprises and small enterprises	-	0.8	3.6	1.3	1.4
	ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	386.8	509.2	801.4	649.5	847.3
b)		Debt securities	21,403.1	17,642.9	25,421.3	23,594.4	23,417.4
c)		Borrowings (other than debt securities)	81,104.1	88,189.7	95,427.3	92,870.3	107,245.7
d)		Deposits	405.6	79.9	31.2	35.2	16.8
e)		Subordinated liabilities	831.9	833.4	654.7	654.8	596.0
f)		Other financial liabilities	4,774.9	4,552.0	6,384.7	5,043.6	5,238.5
			108,906.4	**111,807.9**	**128,724.2**	**122,849.1**	**137,363.1**
2.		**Non-financial liabilities**					
a)		Current tax liabilities (Net)	-	-	-	-	1.2
b)		Provisions	125.0	139.0	174.9	159.9	221.2
c)		Deferred tax liabilities (Net)	178.1	153.1	94.4	149.7	60.5
d)		Other non-financial liabilities	165.6	191.2	208.6	200.5	218.1
			468.7	**483.3**	**477.9**	**510.1**	**501.0**
3.		**Equity**					
a)		Equity share capital	3,947.6	3,947.6	3,947.6	3,947.6	3,947.6
b)		Other equity	22,980.6	27,519.3	33,029.0	31,609.8	38,544.0
			26,928.2	**31,466.9**	**36,976.6**	**35,557.4**	**42,491.6**
		Total liabilities and equity	**136,303.3**	**143,758.1**	**166,178.7**	**158,916.6**	**180,355.7**

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in million, unless otherwise stated)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
1	**Income**					
	Revenue from operations					
	a) Interest income	14,269.4	15,382.9	17,762.8	12,995.5	16,733.2
	b) Net gain on fair value changes	87.8	234.6	317.9	740.6	1,229.0
	c) Net gain on derecognition of financial instruments under amortised cost category	638.1	929.6	1,304.3	244.0	149.3
	d) Fees and commission Income	758.0	735.6	1,047.3	897.9	838.7
	Total revenue from operations	**15,753.3**	**17,282.7**	**20,432.3**	**14,878.0**	**18,950.2**
	Other income	2.2	2.9	2.9	4.1	1.5
	Total income	**15,755.5**	**17,285.6**	**20,435.2**	**14,882.1**	**18,951.7**
2	**Expenses**					
	Finance costs	8,159.7	7,612.0	7,991.9	5,857.3	7,248.1
	Impairment on financial instruments	549.4	487.1	492.1	552.8	453.7
	Employees benefits expense	1,888.1	2,481.9	3,220.1	2,274.8	2,900.2
	Depreciation and amortisation expense	111.9	132.5	164.9	120.8	152.2
	Other expenses	721.3	898.5	1,358.0	913.8	1,187.7
	Total expenses	**11,430.4**	**11,612.0**	**13,227.0**	**9,719.5**	**11,941.9**
3	**Profit before tax and exceptional items**	**4,325.1**	**5,673.6**	**7,208.2**	**5,162.6**	**7,009.8**
4	**Exceptional item**	-	-	**250.0**	-	-
5	**Profit before tax**	**4,325.1**	**5,673.6**	**6,958.2**	**5,162.6**	**7,009.8**
6	**Tax expense**					
	Current tax	934.6	1,254.5	1,571.1	1,127.3	1,571.8
	Short/(Excess) Provision of Income Tax for earlier years	-	-	-	-	(5.6)
	Deferred tax charge / (credit)	(10.8)	(29.4)	(60.5)	(5.3)	(35.2)
		923.8	**1,225.1**	**1,510.6**	**1,122.0**	**1,531.0**
7	**Profit for the period**	**3,401.3**	**4,448.5**	**5,447.6**	**4,040.6**	**5,478.8**
8	**Other comprehensive income (OCI)**					
	Items that will not be reclassified to profit or loss					
	i Remeasurements of the defined employee benefit plans	4.6	17.9	7.8	10.3	3.5
	ii Income tax relating to items that will not be reclassified to profit or loss	(1.3)	(4.4)	(2.0)	(2.6)	(0.9)
	Total other comprehensive income for the period (i + ii)	**3.3**	**13.5**	**5.8**	**7.7**	**2.6**
9	**Total comprehensive income**	**3,404.6**	**4,462.0**	**5,453.4**	**4,048.3**	**5,481.4**
10	**Earnings per equity share**					
	Basic earnings per equity share (₹)	8.6	11.3	13.8	10.2	13.9
	Diluted earnings per equity share (₹)	8.4	10.9	13.4	9.9	13.5

* *Not Annualised*

RESTATED CONSOLIDATED CASH FLOW STATEMENT

(₹ in million, unless otherwise stated)

		For the year ended			For the nine months ended	
	Particulars	**March 31, 2021**	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
A.	**Cash flow from operating activities**					
	Profit before tax	4,325.1	5,673.6	6,958.2	5,162.6	7,009.8
	Adjustments for:					
	Depreciation and amortisation expense	111.9	132.5	164.9	120.8	152.2
	(Profit) / Loss on sale of fixed assets (net)	2.6	1.7	(2.9)	(0.6)	2.3
	Interest on lease liabilities	21.1	29.5	35.0	26.1	30.8
	Gain on modification in lease	(0.2)	-	-	-	-
	Impairment on financial instruments & loss on sale of asset held for sale	550.6	487.1	492.1	552.8	453.7
	Profit on sale of investment in mutual fund and other investments	(87.8)	(234.6)	(317.9)	(244.0)	(149.3)
	Provision for employee share based payments	61.2	76.7	56.3	42.2	33.6
	Operating profit before working capital changes	**4,984.5**	**6,166.5**	**7,385.7**	**5,659.9**	**7,533.1**
	Adjustments for:					
	Increase /(decrease) in other financial and non-financial liabilities and provisions	1,838.4	106.9	2,106.8	588.7	(1,129.8)
	Decrease / (increase) in trade receivables	13.6	(24.7)	(27.8)	9.8	(178.8)
	Decrease / /(increase) in other financial and non-financial assets	(318.7)	(1,237.0)	(325.8)	(374.2)	(479.9)
	Cash generated from operations during the period	**6,517.8**	**5,011.7**	**9,138.9**	**5,884.2**	**5,744.6**
	Tax paid	(998.7)	(1,153.9)	(1,417.1)	(1,039.6)	(1,558.0)
	Net cash flow generated from operations before movement in housing and other loans	**5,519.1**	**3,857.8**	**7,721.8**	**4,844.6**	**4,186.6**
	Housing and other property loans disbursed	(35,447.1)	(39,919.3)	(59,026.1)	(39,453.6)	(49,040.6)
	Proceeds from assignment of portfolio	5,778.7	7,721.2	12,624	8,166.9	11,307.0
	Housing and other property loans repayments	12,126.4	19,272.8	27,123.4	16,376.4	16,964.8
	Net cash used in operating activities [A]	**(12,022.9)**	**(9,067.5)**	**(11,556.9)**	**(10,065.7)**	**(16,582.2)**
B.	**Cash flow from investing activities**					
	Proceeds received on sale / redemption of investments	20,537.4	67,056.3	83,079.9	68,932.5	37,792.4
	Payment towards purchase of investments	(25,180.0)	(65,231.0)	(83,975.8)	(69,482.3)	(37,668.8)
	Investment in fixed deposits (net of maturities)	(111.4)	6,517.9	(3,768.7)	388.3	4,795.8
	Payment towards purchase of fixed assets	(51.2)	(118.1)	(104.4)	(67.4)	(113.7)
	Proceeds received on sale of fixed assets	0.4	0.6	3.7	0.9	-
	Net cash generated from / (used in) investing activities [B]	**(4,804.8)**	**8,225.7**	**(4,765.3)**	**(228.0)**	**4,805.7**
C.	**Cash flow from financing activities**					
	Proceeds on issue of equity shares	0.2	-	-	-	-
	Expenses related to allotment of equity shares	(170.5)	(37.8)	(58.7)	(50.2)	(4.8)
	Proceeds from loans from banks/institutions/NHB	27,859.7	34,150.0	29,850	18,640.0	28,215.3
	Proceeds from non-convertible debentures	8,150.0	4,190.0	9,170.0	7,020.0	8,750.0
	Repayment of loans to banks/institutions/NHB	(24,621.1)	(27,130.3)	(22,637.1)	(13,977.6)	(16,418.6)
	Repayment of non-convertible debentures	(3,858.3)	(8,001.9)	(1,530.0)	(1,205.0)	(10,822.7)
	Repayment of deposits	(280.9)	(336.9)	(56.5)	(51.1)	(13.5)
	Payment of lease liabilities	(65.2)	(84.6)	(105.8)	(77.4)	(95.9)
	Net cash generated from financing activities [C]	**7,013.9**	**2,748.5**	**14,631.9**	**10,298.7**	**9,609.8**
	Net (decrease) / increase in cash and cash equivalents [A+B+C]	**(9,813.8)**	**1,906.7**	**(1,690.3)**	**5.0**	**(2,166.7)**
	Cash and cash equivalents at the beginning of the period	**13,648.8**	**3,835.0**	**5,741.7**	**5,741.7**	**4,051.4**
	Cash and cash equivalents at the end of the period	**3,835.0**	**5,741.7**	**4,051.4**	**5,746.7**	**1,884.7**

GENERAL INFORMATION

Corporate Identity Number: U66010KA1990PLC011409

Company Registration Number: 011409

Registered Office of our Company

2nd Floor, No. 3, JVT Towers
8th 'A' Main Road, Sampangi Rama Nagar
Bengaluru 560 027
Karnataka, India

Corporate Office of our Company

Unit No. 802, 8th Floor, Natraj by Rustomjee
Junction of Western Express Highway
and M. V. Road, Andheri (East)
Mumbai 400 069, Maharashtra, India

Address of the RoC

Our Company is registered with the RoC, situated at the following address:

The Registrar of Companies, Karnataka at Bangalore
'E' Wing, 2nd Floor
Kendriya Sadana
Kormangala, Bengaluru 560 034
Karnataka, India

Board of Directors of our Company

Details regarding our Board as on the date of this Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Om Prakash Bhatt	Non-Executive Chairman and Independent Director	00548091	Flat No.3, Seagull, Carmichael Road, Mumbai 400 026, Maharashtra, India.
Sharmila A. Karve	Independent Director	05018751	Flat no. 102, Phoenix House, Rahimtullah Sayani Road, Prabhadevi, Ravindra Natya Mandir, Mumbai 400 025, Maharashtra, India.
Nivedita Haran	Independent Director	06441500	23, IFS Villas, Gautam Budh Nagar, Greater Noida 201 310, Uttar Pradesh, India.
Amit Dixit*	Non – Executive (Nominee) Director	01798942	Flat No. 2102, The Imperial, South Tower, B.B. Nakashe Marg, Tardeo, Mumbai 400 034, Maharashtra, India
Mukesh Mehta*	Non – Executive (Nominee) Director	08319159	Flat No. 2601, 26th Floor C-Wing, Lodha Bellissimo CHS Ltd, N.M. Joshi Marg, Mumbai 400 011, Maharashtra, India
Prateek Roongta*	Non – Executive (Nominee) Director	00622797	A-4901, Omkar 1973, Hanuman Nagar, Off Dr. A.B. Road, Near Neelam Centre, Worli, Mumbai 400 030, Maharashtra, India
Deo Shankar Tripathi	Whole – Time Director and Executive Vice Chairman	07153794	2202, Tower-7, Emerald Isle, Saki Vihar Road, L&T Business Park, Powai, Mumbai Suburban 400 072, Maharashtra, India.
Rishi Anand	Managing Director and Chief Executive Officer	02303503	B1/2006, The Address, Opp. R City Mall, Ghatkopar West, Mumbai, Ghatkopar West, Mumbai Suburban 400 086, Maharashtra, India

* *Nominee Directors of BCP Topco*

For further details of our Directors, see "*Our Management*" beginning on page 196.

Company Secretary and Compliance Officer

Harshada Pathak is our Company Secretary and Compliance Officer. Her contact details are as set forth below:

Harshada Pathak
Company Secretary and Compliance Officer
Unit No. 802, 8th Floor, Natraj by Rustomjee
Junction of Western Express Highway
and M. V. Road, Andheri (East)
Mumbai 400 069, Maharashtra, India
Tel: +91 022 4168 9991
E-mail: complianceofficer@aadharhousing.com

Book Running Lead Managers

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg, Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: aadharipo@icicisecurities.com
Investor Grievance E-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Shekher Asnani/ Sumit Singh
SEBI Registration No.: INM000011179

Citigroup Global Markets India Private Limited
1202, 12th Floor, First International Financial Centre
G Block, Bandra Kurla Complex
Bandra (East)
Mumbai, Maharashtra – 400098
Tel: +91 22 6175 9999
E-mail: aadhar.ipo@citi.com
Investor Grievance E-mail: investors.cgmib@citi.com
Website:
www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Contact Person: Dylan Fernandes
SEBI Registration No.: INM000010718

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. C – 27
"G" Block, Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: aadhar.ipo@kotak.com
Website: https://investmentbank.kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Ganesh Rane
SEBI Registration Number: INM000008704

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
Tel: +91 22 4037 4037
E-mail: aadharhfipo@nomura.com
Investor Grievance E-mail: investorgrievances-in@nomura.com
Website: www.nomuraholdings.com/company/group/a
sia/india/index.html
Contact Person: Vishal Kanjani / Pradeep Tewani
SEBI Registration No.: INM000011419

SBI Capital Markets Limited
Unit No. 1501, 15th floor, A & B Wing
Parinee Crescenzo Building, Plot C- 38, G Block
Bandra Kurla Complex, Bandra (East)
Mumbai- 400 051
Maharashtra, India
Tel: +91 22 4006 9807
E-mail: aadhar.ipo@sbicaps.com
Investor Grievance E-mail:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Raghavendra Bhat /Vaibhav Shah
SEBI Registration No.: INM000003531

Legal Advisor to the Offer

Indian Legal Advisor to our Company

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 2496 4455

Registrar to the Offer

KFin Technologies Limited (*formerly known as KFin Technologies Private Limited*)
Selenium Tower-B, Plot No. 31 & 32
Financial District, Nanakramguda
Serilingampally
Hyderabad 500 032
Telangana, India

Tel: +91 40 6716 2222
E-mail: ahfl.ipo@kfintech.com
Investor Grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221
URL of SEBI website: https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10

Joint Statutory Auditors to our Company

Walker Chandiok & Co LLP
16th Floor, Tower III, One International Center
S B Marg, Prabhadevi (W), Mumbai 400 013
Maharashtra, India
Tel: +91 22 6626 2699
E-mail: manish.gujral@walkerchandiok.in
Peer Review Number: 014158
Firm Registration Number: 001076N/N500013

Kirtane & Pandit LLP
601, 6th floor, Earth Vintage,
S B Marg, Dadar (W),
Mumbai 400028, Maharashtra, India
Tel: 022 6932 8846
E-mail: kpcamumbai@kirtanepandit.com
Peer Review Number: 014680
Firm Registration Number: 105215W/W100057

Changes in Auditors

Except as stated below, there has been no change in the statutory auditors of our Company during the three years immediately preceding the date of this Red Herring Prospectus:

Particulars	Date of change	Reasons for change
Deloitte Haskins & Sells LLP One International Center, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013, Maharashtra **Tel:** +91 22 6185 4000 **E-mail:** sgk@deloitte.com **Peer Review Number:** 013179 **Firm Registration Number:** 117366W/ W-100018	January 21, 2022	Ineligibility for reappointment as they had exceeded the number of years for which they could audit in one tenure, that is, three years, under the RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021.
Chaturvedi SK & Fellows LLP 402, Dev Plaza Swami Vivekanand Road Andheri (West) Mumbai 400 058 Maharashtra, India **Tel:** +91 22 6694 3452 **E-mail:** cskfelos@cskfelos.in **Peer Review Number:** 013303 **Firm Registration Number:** 112627W/W100843	January 21, 2022	Ineligibility for reappointment as they had exceeded the number of years for which they could audit in one tenure, that is, three years, under the RBI Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021.
Walker Chandiok & Co LLP 16th Floor, Tower III, One International Center S B Marg, Prabhadevi (W), Mumbai 400 013 Maharashtra, India **Tel:** +91 22 6626 2699 **E-mail:** manish.gujral@walkerchandiok.in **Peer Review Number:** 014158 **Firm Registration Number:** 001076N/N500013	January 21, 2022	Appointment as Statutory Auditor of our Company for a period of three financial years with effect from January 21, 2022 till the conclusion of the Annual General Meeting to be held for the Financial Year 2023-2024.
Kirtane & Pandit LLP 601, 6th floor, Earth Vintage, S B Marg, Dadar (W), Mumbai 400028, Maharashtra, India **Tel:** 022 6932 8846 **E-mail:** kpcamumbai@kirtanepandit.com **Peer Review Number:** 014680 **Firm Registration Number:** 105215W/W100057	August 9, 2023	Appointment as Joint Statutory Auditors of our Company for a period of three financial years from Financial Year 2023-2024 till the conclusion of the Annual General Meeting to be held for Financial Year 2025-2026.

Bankers to the Offer

Escrow Collection Bank

Axis Bank Limited
Axis House, 6th Floor, C-2,
Wadia International Center ,
Pandurang Budhkar Marg , Worli,
Mumbai – 400 025,
Maharashtra, India

Tel: 022 24253672
E-mail: vishal.lade@axisbank.com
Website: www.axisbank.com
Contact Person: Vishal M. Lade
SEBI Registration Number: INBI00000017

Refund Bank

Axis Bank Limited
Axis House, 6th Floor, C-2,
Wadia International Center ,
Pandurang Budhkar Marg , Worli,
Mumbai – 400 025,
Maharashtra, India
Tel: 022 24253672
E-mail: vishal.lade@axisbank.com
Website: www.axisbank.com
Contact Person: Vishal M. Lade
SEBI Registration Number: INBI00000017

Public Offer Account Bank

Kotak Mahindra Bank Limited
Kotak Infiniti, 6th Floor, Building No. 21
Infinity Park, Off Western Express Highway
General AK Vaidya Marg, Malad (East)
Mumbai - 400 097
Maharashtra, India
Tel: +91 22 6605 6603
E-mail: cmsipo@kotak.com
Website: www.kotak.com
Contact Person: Siddhesh Shirodkar
SEBI Registration Number: IBNI00000927

Sponsor Banks

Axis Bank Limited
Axis House, 6th Floor, C-2,
Wadia International Center
Pandurang Budhkar Marg , Worli,
Mumbai – 400 025,
Maharashtra, India
Tel: 022 24253672
E-mail: vishal.lade@axisbank.com
Website: www.axisbank.com
Contact Person: Vishal M. Lade
SEBI Registration Number: INBI00000017

Kotak Mahindra Bank Limited
Kotak Infiniti, 6th Floor, Building No. 21
Infinity Park, Off Western Express Highway
General AK Vaidya Marg, Malad (East)
Mumbai - 400 097
Maharashtra, India
Tel: +91 22 6605 6603
E-mail: cmsipo@kotak.com
Website: www.kotak.com
Contact Person: Siddhesh Shirodkar
SEBI Registration Number: IBNI00000927

Bankers to our Company

Axis Bank
MET College, Opp. Lilavati Hospital
Bandra Reclamation, Bandra (West)
Mumbai 400 050
Tel: 98205 07637
Email: bandrareclamation.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: Rahul Joshi

Bank of Baroda
Corporate Financial Services Branch
C-8, Laxmi Tower, 2nd Floor
BKC, Bandra (E)
Mumbai 400 051, India
Tel: +91 22 6864 3935
Email: midbdr@bankofbaroda.com
Website: www.bankofbaroda.in
Contact Person: A. Abhishek

Bank of India
Nariman Point, Large Corporate
Branch, 92-93, Free Press House
Mumbai 400 023
Tel: 96301 15900

DBS Bank India Limited
19th Floor, Express Towers
Nariman Point, Mumbai 400 021
Tel: 022 6752 8486/ 90968 18071
Email: rahuldeshpande@dbs.com

Email: LCB.NarimanPoint@bankofindia.co.in
Website: www.bankofindia.co.in
Contact Person: Krishna Deo Sharma

Website: www.dbs.com/india/
Contact Person: Rahul Deshpande

HDFC Bank Limited
Emerging Corporate Group, 4th floor
Tower – B, Peninsula Business Park
Lower Parel – West, Mumbai 400 013
Tel: 93207 66462
Email: parag.dave@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Parag Dave

HongKong and Shanghai Banking Corporation Limited
52/60, Mahatma Gandhi Road
Fort, Mumbai – 400 001
Tel: +91 98113 45375
Email: akhil.singhal@hsbc.co.in
Website: www.hsbc.co.in
Contact Person: Akhil Singhal

Indian Bank
Large Corporate Branch
210 Mittal Towers, B Wing
Nariman Point, Mumbai 400 021
Maharashtra, India
Tel: 022 4017 8018
Email: lcbmumbai@indianbank.co.in
Website: www.Indianbank.in
Contact Person: Naval Saini

Indian Overseas Bank
101, 1st Floor, Naman Centre
G Block, BKC, Bandra (E)
Mumbai 400 051
Tel: 022 4602 2186/ 4602 2193
Email: iob2998@iob.in
Website: www.iob.in
Contact Person: Kumar Pratik

Kotak Mahindra Bank Limited
27 BKC, Plot No C-27, G Block
3rd Floor, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Tel: 022 6166 0397
Email: pallavi.surti@kotak.com
Website: www.kotak.com
Contact Person: Pallavi Surti

Punjab National Bank
Large Corporate Branch
Pragati, 6th Floor, C-9
G-Block BKC (E)
Mumbai 400 051
Tel: 72762 64147
Email: bo2175@pnb.co.in
Website: www.pnbindia.in
Contact Person: Ashish C Gajbhiye

State Bank of India Commercial Br, Ahmedabad
Paramshiddhi Complex, Opp. V.S. Hospital
Ellis Bridge, Ahmedabad 380 006
Tel : 079 2657 7706
Email: rm1.cbahm@sbi.co.in
Website: www.sbi.co.in
Contact Person: Sachin Yadav

Shinhan Bank
Ground Floor, Red Building
Plot No.2, Galaxy Society
Boat Club Road
Pune 411 001
Tel: 020 6704 0800
Email: credit.pune@shinhan.com
Website: www.shinhanbankindia.com
Contact Person: Jung Mo Kang

The Federal Bank Limited
Corporate and Institutional Banking, Laxmi
Towers C wing, 5th Floor, Bandra
Kurla Complex, Bandra (East)
Mumbai 400 051
Tel: 99202 50090
Email: hasrat@federalbank.co.in
Website: www.federalbank.co.in
Contact Person: Hasrat Borbora

Union Bank of India
Nanavati Mahalaya, 18
Homi Modi Street
Fort, Mumbai
Tel: 83568 00511
Email: vyankat.patil@unionbankofindia.bank
Website: www.unionbankofindia.co.in
Contact: Vyankat Patil

Syndicate Members

Investec Capital Services (India) Private Limited
1103-04, 11th Floor
B Wing, Parinee Crescenzo
Bandra Kurla Complex
Mumbai 400 051
Maharashtra, India
Tel: +91 22 6849 7400
E-mail: kunal.naik@investec.co.in
Website: https://www.investec.com/india.html
Contact Person: Kunal Naik

SBICAP Securities Limited
Marathon Futurex
B-Wing, Unit No. 1201
12th Floor, N M Joshi Marg
Lower Parel, Mumbai 400 013
Maharashtra, India
Tel: +91 22 6931 6204
E-mail: archana.dedhia@sbicapsec.com
Website: www.sbisecurities.in
Contact Person: Archana Dedhia

SEBI Registration Number: INZ000007138 **SEBI Registration Number:** INZ000200032

Kotak Securities Limited
4th floor, 12 BKC
G-Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 6218 5410
E-mail: umesh.gupta@kotak.com
Website: www.kotak.com
Contact Person: Umesh Gupta
SEBI Registration Number: INZ000200137

Filing

A copy of the Draft Red Herring Prospectus has been uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and pursuant to the SEBI ICDR Master Circular.

A copy of this Red Herring Prospectus along with the material contracts and documents referred to in this Red Herring Prospectus in accordance with Section 32 of the Companies Act has been filed with the RoC, and a copy of the Prospectus along with the material contracts and documents referred to in the Prospectus shall be filed with Section 26 of the Companies Act, at the RoC and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Inter-se Allocation of Responsibilities among the Book Running Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

S. No.	Activity	Responsibility	Coordinator
1.	Capital structuring, due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	I-Sec
2.	Drafting and approval of all statutory advertisement	BRLMs	I-Sec
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	I-Sec
4.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Bankers to the Offer, Sponsor Banks, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	SBICAPS
5.	Preparation of road show presentation	BRLMs	Nomura
6.	Preparation of frequently asked questions	BRLMs	Nomura
7.	International institutional marketing of the Offer, which will cover, inter alia: • marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	Citi, Nomura
8.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	I-Sec, Kotak
9.	Non-institutional of the Offer, which will cover, inter alia, • Finalising media, marketing and public relations strategy including list of frequently asked questions at retail road shows; • Finalising centres for holding conferences for brokers, etc.	BRLMs	I-Sec, SBICAPS
10.	Retail marketing of the Offer, which will cover, inter alia, • Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres	BRLMs	I-Sec, SBICAPS
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	I-Sec
12.	Managing the book and finalization of pricing in consultation with the Company	BRLMs	Citi, I-Sec
13.	Post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about	BRLMs	SBICAPS

S. No.	Activity	Responsibility	Coordinator
	the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the Post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Banks, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the initial and final Post-Offer report to SEBI, release of 1% security deposit post closure of the Offer		

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Monitoring Agency

Our Company has appointed ICRA Limited as the monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations. The details of the monitoring agency are set out below:

ICRA Limited
Electric Mansion, 3rd Floor
Appasaheb Marathe Marg
Prabhadevi, Mumbai – 400 025
Tel: +91 22 6114 3406
Email: shivakumar@icraindia.com
Website: www.icra.in
Contact Person: L Shivakumar
SEBI Registration Number: IN/CRA/008/15

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, credit rating is not required.

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, i.e., (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) for SCSBs and (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) for mobile applications, respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) 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 Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/PublicIssues/RtaDp.aspx and www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time and on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/PublicIssues/RtaDp.aspx and www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

Experts to the Offer

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

Our Company has received written consent dated April 30, 2024 from Walker Chandiok & Co LLP and Kirtane & Pandit LLP, Chartered Accountants, who hold valid peer review certificate from ICAI, to include their name as required under the SEBI ICDR Regulations in this Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditor and in respect of their examination report dated April 15, 2024 relating to the Restated Consolidated Financial Information; and (ii) reports each dated April 30, 2024 on the statement of possible special direct tax benefits and statement of possible special indirect tax benefits as included in this Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of this Red Herring Prospectus and the Bid Cum Application Forms and the Revision Forms within the Price Band, which will be decided by our Company, in consultation with the Book Running Lead Managers, and which will either be included in this Red Herring Prospectus or will be advertised in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Jansatta and Bengaluru editions of the Kannada daily newspaper, Vishwavani (Kannada being the regional language of Karnataka, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company, in consultation with the Book Running Lead Managers after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" beginning on page 404.

All Bidders, other than Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or in the case of

UPI Bidders, by using the UPI Mechanism. Additionally, the RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details, see "*Terms of the Offer*" "*Offer Structure*" and "*Offer Procedure*" beginning on pages 394, 400 and 404, respectively.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

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

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Promoter Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

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

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (₹ in million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The aforementioned underwriting commitments are indicative and will be finalised after pricing of the Offer and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/IPO Committee, at its meeting held on [●], approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

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

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors 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 purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Red Herring Prospectus is set forth below:

(in ₹, except share data)

		Aggregate nominal value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL[(1)]**		
	500,000,000 Equity Shares (having face value of ₹ 10 each)	5,000,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	394,754,970 Equity Shares (having face value of ₹ 10 each)	3,947,549,700	-
C	**PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS[(2)]**		
	Offer of up to [●] Equity Shares [(2) (3)]	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares aggregating up to ₹10,000 million[(2)]	[●]	[●]
	Offer for Sale of up to [●] Equity Shares aggregating up to ₹20,000 million[(3)]	[●]	[●]
	Which includes:		
	Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹70 million[(4)]	[●]	[●]
	Net Offer of up to [●] Equity Shares aggregating up to ₹[●] million	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	[●] Equity Shares (having face value of ₹10 each)	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	13,370.0 million	
	After the Offer	[●] million	

* *To be included upon finalisation of the Offer Price.*

(1) For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 191 of this Red Herring Prospectus.

(2) The Fresh Issue has been authorized by the resolutions of our Board and IPO Committee at their meetings held on January 21, 2024 and January 31, 2024, respectively, and a special resolution passed by our Shareholders at their meeting held on January 24, 2024. The Promoter Selling Shareholder has confirmed and authorized its participation in the Offer for Sale pursuant to its consent letter dated April 22, 2024 and resolution of its board of directors at their meeting held on January 31, 2024. For further details, see "Other Regulatory and Statutory Disclosures" beginning on page 376 of this Red Herring Prospectus.

(3) The Equity Shares being offered by the Promoter Selling Shareholder 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 in accordance with the SEBI ICDR Regulations and accordingly, are eligible for the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details of authorisations for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" beginning on page 376 of this Red Herring Prospectus.

(4) In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment in the Offer, proportionately to all Eligible Employees who have Bid in excess of ₹ 200,000 (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹ 500,000 (net of Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of up to ₹500,000), shall be added to the Net Offer. For further details, see "Offer Structure" beginning on page 400 of this Red Herring Prospectus. Our Company, in consultation with the BRLMs, may offer an Employee Discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employee(s) Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.

Notes to the Capital Structure

1. **Equity Share capital history of our Company**

The history of the Equity Share capital of our Company since incorporation till the date of this Red Herring Prospectus is set forth below:

Date of allotment of Equity Shares	Nature of allotment	Nature of consideration	Number of Equity Shares	Cumulative number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Cumulative paid-up Equity Share capital (in ₹)	Name of allottees/ shareholders
November 26, 1990	Initial subscription to the Memorandum of Association	Cash	170	170	10	10	1,700	Allotment of 100 Equity Shares to The Vysya Bank Limited and allotment of 10 Equity Shares each to Ramesh Gelli, P.V. Satyanarayana, V. Rajagopal, A. Rama Mohana Rao, C.A. Subramanya Gupta, P. Nageswara Rao and Sridhar Subasri pursuant to subscription to the Memorandum of Association.
March 25, 1991*	Preferential allotment	Cash	2,899,830	2,900,000	10	-	29,000,000	Allotment of 1,889,830 Equity Shares to The Vysya Bank Limited and the Karur Vysya Bank Limited, allotment of 510,000 Equity Shares to Unit Trust of India and Industrial Credit and Investment Corporation of India, allotment of 300,000 Equity Shares to the NHB, allotment of 150,000 Equity Shares to corporate bodies and allotment of 50,000 Equity Shares to the Bank of Madura. In respect of this allotment, details of the issue price of the Equity Shares were not available in the RoC Search Report.
Financial Year 1992*	-	-	100,000	3,000,000	10	-	30,000,000	In respect of this allotment, details of date of allotment, the issue price, the nature of allotment, nature of consideration, and the names of the allottees of the Equity Shares were not available in the RoC Search Report.
Financial Year 1995*	Rights issue	Cash	1,500,000	4,500,000	10	35	45,000,000	In respect of this allotment, details of the date of allotment and the names of the allottees of the Equity Shares were not available in the RoC Search Report.
April 30, 2001*	Rights issue	Cash	2,580,705	7,080,705	10	15	70,807,050	In respect of this allotment, the names of the allottees of the Equity Shares were not available in the RoC Search Report.
November 28, 2009	Preferential allotment	Cash	4,000,000	11,080,705	10	30	110,807,050	Allotment of 2,328,000 Equity Shares to DHFL, and allotment of 836,000 Equity Shares each to Kapil Kumar Wadhawan and Dheeraj Rajesh Kumar Wadhawan.
December 5, 2017	Allotment pursuant to the Scheme of Amalgamation (Share swap)	Other than cash	10,125,360	21,206,065	10	291.50	212,060,650	Allotment of 10 Equity Shares for every 119 equity shares of face value of ₹ 10 each held in Pre-merger AHFPL pursuant to the Scheme of Amalgamation and approved by our Board pursuant to resolution dated December 5, 2017. Equity Shares were allotted to shareholders of Pre-merger AHFPL as per the share exchange ratio (swap ratio) mentioned in the Scheme of Amalgamation based on the fair valuation of Pre-merger AHFPL and our Company as at April 1, 2017, which was ₹ 24.4 per equity share and ₹ 291.50 per Equity Share, respectively. Allotment of 6,587,684 Equity Shares to WGCL, allotment of 2,025,072 Equity Shares to IFC, allotment of 1,252,101 Equity Shares to DHFL, allotment of 84,034 Equity Shares to Aruna Rajeshkumar Wadhawan, allotment of 84,017 Equity Shares each to Dheeraj Rajeshkumar Wadhawan and Kapil Kumar Wadhawan, allotment of 8,403 Equity Shares to Variya Hospitality and Investments Private Limited, and allotment of eight Equity Shares each to Mohit B. Chaturvedi, Pralhad Kulkarni, PK Kumar and

Date of allotment of Equity Shares	Nature of allotment	Nature of consideration	Number of Equity Shares	Cumulative number of Equity Shares	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Cumulative paid-up Equity Share capital (in ₹)	Name of allottees/ shareholders
								Vijay Tambe. For further details, see "*History and Certain Corporate Matters*" beginning on page 190 of this Red Herring Prospectus.
March 8, 2018	Preferential allotment	Cash	3,942,407	25,148,472	10	291.70	251,484,720	Allotment of 2,228,317 Equity Shares to IFC and allotment of 1,714,090 Equity Shares to WGCL.
June 11, 2019	Preferential allotment	Cash	8,810,088	33,958,560	10	908.05	339,585,600	Allotment of 8,810,088 Equity Shares to our Promoter.
March 26, 2020	Rights issue	Cash	5,506,338	39,464,898	10	908.05	394,648,980	Allotment of 5,506,305 Equity Shares to our Promoter and allotment of 33 Equity Shares to R. Nambirajan.
August 18, 2020	Allotment pursuant to Erstwhile ESAR 2018#	Cash	10,599	39,475,497	10	10	394,754,970	Allotment of 5,281 Equity Shares to Komala Nair, allotment of 1,683 Equity Shares to Sathish Kumar K, allotment of 946 Equity Shares to Rakesh Kumar, allotment of 901 Equity Shares to Srinivasa BV, allotment of 840 Equity Shares to Kannan Govindan, allotment of 748 Equity Shares to Arindam Basu and allotment of 200 Equity Shares to Rahul Arvind Patil.
January 16, 2021	Bonus issue	-	355,279,473	394,754,970	10	-	3,947,549,700	Bonus issue of 355,279,473 Equity Shares in the ratio of nine Equity Shares for every one Equity Share held by the existing shareholders as on the record date, i.e., January 16, 2021. Accordingly, allotment of 350,715,078 Equity Shares to our Promoter, allotment of 4,185,000 Equity Shares to ICICI Bank Limited, allotment of 101,835 Equity Shares to Investor Education and Protection Fund Authority (jointly with Ministry of Corporate Affairs), allotment of 47,529 Equity Shares to Komala Nair, allotment of 24,147 Equity Shares to Simi Mathew, allotment of 18,000 Equity Shares each to B L Narayana Murthy, B N Chandrasekar (jointly with Prathibha Chandrasekar) and Gowra Leasing and Finance Limited, allotment of 13,500 Equity Shares each to A Aparna and A Ashwin, allotment of 9,000 Equity Shares each to T Raghavan (jointly with Kamala Raghavan), S Narasimhulu Chetty, Sharath Kumar S N, Murali Mohan S N, Manandi Nanjundasetty Dwarakanath and Padmini Ratnam, allotment of 8,514 Equity Shares to Rakesh Kumar, allotment of 8,109 Equity Shares to B V Srinivasa, allotment of 7,560 Equity Shares to G Kannan, allotment of 6,732 Equity Shares to Arindam Basu, allotment of 4,500 Equity Shares to Boda Subba Rao, allotment of 2,700 Equity Shares to K Seetharamasetty, allotment of 2,097 Equity Shares to R Nambirajan (jointly with N Jayalakshmi), allotment of 1,800 Equity Shares each to T N Sankaran, Pola Prabhakar (jointly with Rangaiah Pola), R Indrani, K Lakshmi Devi, Vankadari Ramachandra Gupta, Mahesh K V, Venkata Rajeswari Thatavarthy, Sarva Lakshmi Chintalapudi and Rahul Arvind Patil, allotment of 1,206 Equity Shares to Ranga Subrhamanyam Chaluvadi, allotment of 900 Equity Shares each to C S Siva Kumar (S Vimala), K L Lakshmidevamma, Kota Rangaiah, Kanigelupula Sankara Rao, Sarala Udayashankar, Gautham Rokkam, Kota Bala Anjaneyulu, Kasimsetty Laxmikanth Vimalabai, Jayashree R Ail, K V Sreenivasulu, H Pramoda, Swaranamba, G Vittalkrishna, Neelaiah Gari Rajeswari, allotment of 594 Equity Shares to Sudhakar Chaluvadi, and allotment of 72 Equity Shares to Pralhad N Kulkarni.

The secretarial records for certain past allotments of Equity Shares made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated January 30, 2024 prepared by Roy Jacob & Co., Company Secretaries, independent practicing company secretary, and certified by their certificate dated January 30, 2024 ("RoC Search Report**"). For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors – Our secretarial records for certain past allotments and changes in relation to our Registered Office are not traceable" on page 36 of this Red Herring Prospectus.*
 # Pursuant to the resolutions passed by our Board and our Shareholders on January 21, 2024 and January 24, 2024, respectively, the Erstwhile ESAR 2018 was amended and varied to the ESOP 2018.

For details of the history of the share capital held by our Promoter, see, "- *History of the Share capital held by our Promoter – Build-up of Promoter's shareholding in our Company*" on page 81 of this Red Herring Prospectus.

2. **Equity Shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves**

Except as disclosed below, our Company has not issued Equity Shares through bonus issue or for consideration other than cash or out of revaluation reserves.

Date of allotment	Name of allottees/ Shareholders	Number of Equity Shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Reason for allotment	Benefits accrued to our Company
December 5, 2017	Allotment of 10 Equity Shares for every 119 equity shares of face value of ₹ 10 each held in Pre-merger AHFPL pursuant to the Scheme of Amalgamation and approved by our Board through a resolution dated December 5, 2017. Equity Shares were allotted to shareholders of Pre-merger AHFPL as per the share exchange ratio (swap ratio) mentioned in the Scheme of Amalgamation based on the fair valuation of Pre-merger AHFPL and our Company as at April 1, 2017, which was ₹ 24.40 per equity share and ₹ 291.50 per Equity Share, respectively. Allotment of 6,587,684 Equity Shares to WGCL, allotment of 2,025,072 Equity Shares to IFC, allotment of 1,252,101 Equity Shares to DHFL, allotment of 84,034 Equity Shares to Aruna Rajeshkumar Wadhawan, allotment of 84,017 Equity Shares each to Dheeraj Rajeshkumar Wadhawan and Kapil Kumar Wadhawan, allotment of 8,403 Equity Shares to Variya Hospitality and Investments Private Limited, and allotment of eight Equity Shares each to Mohit B. Chaturvedi, Pralhad Kulkarni, PK Kumar and Vijay Tambe. For further details, see "*History and Certain Corporate Matters*" beginning on page 190 of this Red Herring Prospectus.	10,125,360	10	291.50	Allotment pursuant Scheme of Amalgamation (Share swap)	The benefits accrued include consolidation of businesses, maximize synergies, simplification of organizational structure, reduction of administrative cost, and achieving operational and management efficiency, including reduction of managerial overlaps.
January 16, 2021	Bonus issue of 355,279,473 Equity Shares in the ratio of nine Equity Shares for every one Equity Share held by the existing shareholders as on the record date, i.e., January 16, 2021. Accordingly, allotment of 350,715,078 Equity Shares to our Promoter, allotment of 4,185,000 Equity Shares to ICICI Bank Limited, allotment of 101,835 Equity Shares to Investor Education and Protection Fund Authority (jointly with Ministry of Corporate Affairs), allotment of 47,529 Equity Shares to Komala Nair, allotment of 24,147 Equity Shares to Simi Mathew, allotment of 18,000 Equity Shares each to B L Narayana Murthy, B N Chandrasekar (jointly with Prathibha Chandrasekar)and Gowra Leasing and Finance Limited, allotment of 13,500 Equity Shares each to A Aparna and A Ashwin, allotment of 9,000 Equity Shares each to T Raghavan (jointly with Kamala Raghavan), S Narasimhulu Chetty, Sharath Kumar S N, Murali Mohan S N, Manandi Nanjundasetty Dwarakanath and Padmini Ratnam, allotment of 8,514 Equity Shares to Rakesh Kumar, allotment of 8,109 Equity Shares to B V Srinivasa, allotment of 7,560 Equity Shares to G Kannan, allotment of 6,732 Equity Shares to Arindam Basu, allotment of 4,500 Equity Shares to Boda Subba Rao, allotment of 2,700 Equity Shares to K Seetharamasetty, allotment of 2,097 Equity Shares to R Nambirajan (jointly with N Jayalakshmi), allotment of 1,800 Equity Shares each to T N Sankaran, Pola Prabhakar (jointly with Rangaiah Pola), R Indrani, K Lakshmi Devi, Vankadari Ramachandra Gupta, Mahesh K V, Venkata Rajeswari Thatavarthy, Sarva Lakshmi Chintalapudi and Rahul Arvind Patil, allotment of 1,206 Equity Shares to Ranga Subrhamanyam Chaluvadi, allotment of 900 Equity Shares	355,279,473	10	-	Bonus issue	-

Date of allotment	Name of allottees/ Shareholders	Number of Equity Shares allotted	Face value per Equity Share (in ₹)	Issue price per Equity Share (in ₹)	Reason for allotment	Benefits accrued to our Company
	each to C S Siva Kumar (S Vimala), K L Lakshmidevamma, Kota Rangaiah, Kanigelupula Sankara Rao, Sarala Udayashankar, Gautham Rokkam, Kota Bala Anjaneyulu, Kasimsetty Laxmikanth Vimalabai, Jayashree R Ail, K V Sreenivasulu, H Pramoda, Swaranamba, G Vittalkrishna, Neelaiah Gari Rajeswari, allotment of 594 Equity Shares to Sudhakar Chaluvadi, and allotment of 72 Equity Shares to Pralhad N Kulkarni.					

3. **Preference share capital**

Our Company does not have any preference share capital as on the date of this Red Herring Prospectus.

4. **Issue of Equity Shares under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act**

Except for the allotment of 10,125,360 Equity Shares on December 5, 2017, details of which are set forth above in "– *Notes to the Capital Structure – Share Capital History of our Company*", our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act.

5. **Issue of Equity Shares under employee stock option schemes**

Our Company has issued Equity Shares pursuant to the exercise of options which have been granted under the Erstwhile ESAR 2018. For details see "- *Notes to Capital Structure - Equity Share capital history of our Company*" on page 75. Our Company has not issued any Equity Shares under employee stock option schemes. For further details, see "– *Aadhar Housing Finance Limited – Employee Stock Options Plan 2018*" and "- *Aadhar Housing Finance Limited – Employee Stock Option Plan 2020*" on pages 86 and 88, respectively.

6. **Equity Shares issued in the preceding one year below the Offer Price**

Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Red Herring Prospectus.

7. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of filing of this Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of partly paid-up equity shares held (V)	Number of shares underlying depository receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number 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)
								Number of Voting Rights			Total as a % of total voting rights (A+B+C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	**Promoter and Promoter Group**	1	389,683,420	-	-	389,683,420	98.72	389,683,420	-	389,683,420	98.72	-	-		-		Nil	389,683,420
(B)	**Public**	50	5,071,550	-	-	5,071,550	1.28	5,071,550	-	5,071,550	1.28	-	-		-		Nil	5,042,550*
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-		-		-	-
	Total	**51**	**394,754,970**	**-**	**-**	**394,754,970**	**100.00**	**394,754,970**	**-**	**394,754,970**	**100.00**	**-**	**-**		**-**		**-**	**394,725,970**

** The bonus Equity Shares of certain Shareholders holding Equity Shares in physical form, have been credited to the 'AADHAR HOUSING FINANCE LIMITED UNCLAIMED SHARE SUSPENSE ACCOUNT' account and shall be transferred by our Company to the demat account of the respective Shareholder, upon conversion of physical Equity Shares to dematerialized form.*

8. **Details of equity shareholding of the major shareholders of our Company**

a) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on the date of this Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital as on the date of this Red Herring Prospectus (%)
1.	BCP Topco	389,683,420	98.72
2.	ICICI Bank Limited	4,650,000	1.18
	Total	**394,333,420**	**99.90**

b) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of 10 days prior to the date of this Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital as of 10 days prior to the date of this Red Herring Prospectus (%)
1.	BCP Topco	389,683,420	98.72
2.	ICICI Bank Limited	4,650,000	1.18
	Total	**394,333,420**	**99.90**

c) Set forth below is a list of shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as of one year prior to the date of this Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital as of one year prior to the date of this Red Herring Prospectus (%)
1.	BCP Topco	389,683,420	98.72
2.	ICICI Bank Limited	4,650,000	1.18
	Total	**394,333,420**	**99.90**

d) Set forth below is a list of shareholders holding 1% or more of the paid-up Share Capital of our Company, as of two years prior to the date of this Red Herring Prospectus:

S. No.	Name of the shareholder	Number of Equity Shares	Percentage of the Equity Share capital as of two years prior to the date of this Red Herring Prospectus (%)
1.	BCP Topco	389,683,420	98.72
2.	ICICI Bank Limited	4,650,000	1.18
	Total	**394,333,420**	**99.90**

9. **History of the Share capital held by our Promoter**

As on the date of this Red Herring Prospectus, our Promoter holds in aggregate 389,683,420 Equity Shares, constituting 98.72% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoter's shareholding is set forth below.

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

The build-up of the shareholding of our Promoter since incorporation of our Company till the date of this Red Herring Prospectus is set forth below.

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/transferred	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre- Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)^
June 10, 2019	Transfer from WGCL	17,597,715	Cash	10	711.11*	4.46	[●]
	Transfer from IFC	4,253,389	Cash	10	908.05	1.08	[●]
	Transfer from DHFL	2,301,090	Cash	10	711.11*	0.58	[●]
	Transfer from Aruna	144,034	Cash	10	711.11*	0.04	[●]

Date of allotment/ transfer	Nature of transaction	Number of Equity Shares allotted/transferred	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre- Offer Equity Share capital (%)	Percentage of the post-Offer Equity Share capital (%)^
	Wadhawan						
	Transfer from Kapil Wadhawan	134,017	Cash	10	711.11*	0.03	[●]
	Transfer from Dheeraj Wadhawan	134,017	Cash	10	711.11*	0.03	[●]
June 11, 2019	Preferential allotment	8,810,088	Cash	10	908.05	2.23	[●]
July 3, 2019	Transfer from Variya Hospitality and Investments Private Limited	8,403	Cash	10	908.05	0.00	[●]
July 9, 2019	Transfer from Ramco Industries Limited	30,000	Cash	10	908.05	0.01	[●]
January 9, 2020	Transfer from minority shareholders (1)	36,266	Cash	10	908.05	0.01	[●]
February 28, 2020	Transfer from minority shareholders (2)	13,018	Cash	10	908.05	0.00	[●]
March 26, 2020	Rights issue	5,506,305	Cash	10	908.05	1.39	[●]
January 16, 2021	Bonus issue	350,715,078	-	10	-	88.84	[●]
Total		**389,683,420**				**98.72**	

(1) *Transfer from H R B Family Trust, V Radhakrishna Murthy, Immadi Padmaja Rani, K V Dwaraknath, Ramesh Gelli, Jayanthi Puljal, Immadi Venkata Krishna Udaya Sankar, V T Henderson, Venkateswarlu Parimi and Parimi Purna Kumari, Pola Sujatha, Meda Sainath Saivani, K M Rajamma, Nagaraju, Jayalakshmi Radhakrishna Murthy Vankayala, Jhansi Lakshmi Konagalla, Subbaraju Kanumari, Vijay Shankar Tambe, Mohit Chaturvedi, Venkata Naga Sri Ramana Juluri, Meda Anitha Padmaja, Meda Nagarathna, Meda Narendra Kumar, K S Dwarakanath, E M Vishalakshi, K Satyanarayana Gupta, Sampath Kumari B N, A S Dwarakanath Setty, K Nirmala, D Nagendra Prasad, K Gayathri Prasad, B V Krishnamurthy and B K Praveena, Arveti Murthy, M Nagaraja Gupta, B V Srinivasa, R Nambirajan and N Jayalakshmi, Kothamachu Nirmala and Kothamachu Venkata Chalamaiah Chetty, R Nambirajan, Manjula K S, Ashirwad Bingi Ramesh, B K Vijayalakshmi, M N Suresh, Rajendra Kumar, Sridhar Kumar G, Grandhi Satya Ramakrishna, M Ramakrishnan, Pamadi Rambabu, M S Seshachalam, B V Ramesh, V Ravichandra, Manandi Nanjundasetty Ramesh, Shylaja D B, Bangaruswamy D S, M Suresh Kumar, Dinesh Gupta P, I V S V B Panchajanyam, Kollukuduru Praveena, Ambati Sreenivasulu, Manjunatha S R, Venkatarathnam K V, Katta Venkata Sugunaratnam, Sridhar Subasri, Geetha P S, Mamidi Madhuri, Manandi Nanjunda Setty, and K Varamahalakshmi Devi.*

(2) *Transfer from Mamilla Ranganath, Sudeshna N, A Rajagopal Gupta, Nanda Kumar V, Gudditi Eswaraiah,, Yadalam Nagaraja, Vankadari Ramachandra Gupta, B V Mohan and B M Geetha, Vinita Veerabhadran, Vathsala H L, Devaraju N, Nagaruru Padmaja, Krishna Kumar Ponniah, G Sreevaran, Nataraju K R, Vijaya Lakshmi B Y, K. V. Harinath, Attaluri Sridevi and Attaluri Sambasiva Rao, Aruna Somisetty, Vanamala E R and M S Shelvapille Iyengar, G Sreedhara Babu, Kasimsetty Laxmikanth Vimalabai, Pabbisetty Subbaramiah Sundaramurthy, V R Nataraj, Ramanlal Manikchand Sha, Somisetty Krishna Priya, Sree Ramachandra Murthy Maddula and Maddula Lakshmi Annapurna, R Harinath, M Bharathi Ramesh, Sai Srinivasa Murthy S R, Madhav Pundi Krishnaswamy, Leelavathi, Way2Wealth Brokers Private Limited, G Hemalatha, and Yokesh Kumar V.*

^ *Subject to finalisation of Basis of Allotment in the Offer.*

* *In terms of the Amended Majority SPA, ₹711.11 per Equity Share was paid for the transfer.*

All the Equity Shares held by our Promoter were fully paid-up on the respective dates of the transfers and allotments of such Equity Shares. As of the date of this Red Herring Prospectus, none of the Equity Shares held by our Promoter are subject to any pledge.

b) Shareholding of our Promoter (also the Promoter Selling Shareholder) and Promoter Group

The details of shareholding of our Promoter (also the Promoter Selling Shareholder), Promoter Group and directors of our Promoter as on the date of this Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)	Post-Offer number of Equity Shares	Percentage of the post-Offer Equity Share capital (%)
A.	***Promoter (also the Promoter Selling Shareholder)***				
1.	BCP Topco	389,683,420	98.72	[●]	[●]
Total		**389,683,420**	**98.72**	[●]	[●]
B.	***Promoter Group***				
1.	NIL				
C.	***Directors of our Promoter***				
1.	NIL				
Total		**389,683,420**	**98.72**	[●]	[●]

c) Details of Promoter's Contribution and Lock-in

In the addendum dated April 5, 2022 ("**Addendum**") to the draft red herring prospectus dated January 24, 2021 read with the corrigendum dated February 18, 2021 of our Company in connection with the previous initial public offering ("**Previous Offer**"), our Promoter had undertaken to offer voluntary lock-in of 236,531,060 Equity Shares held by our Promoter (aggregating to 59.92% of the pre-Offer Equity share capital of our Company) from the date of allotment of the Previous Offer (i.e. (i) requisite portion for three years towards minimum promoter's contribution which is mandatorily required under the SEBI ICDR Regulations, and (ii) remaining portion on a voluntary basis for two years), in order to demonstrate our Promoter's long-term commitment to our Company. However, due to the then prevailing market conditions and other considerations, our Company did not proceed with the Previous Offer. Nonetheless, as on date of this Red Herring Prospectus, our Promoter continues to hold the same number of Equity Shares as at the time of the Previous Offer (i.e., 389,683,420 Equity Shares, aggregating to 98.72% of the pre-Offer Equity share capital of our Company). Moreover, had the Previous Offer been completed by June 2022, (i) 18 months lock-in period would have expired as on date of this Red Herring Prospectus, and (ii) two years lock-in period would expire by the time the Equity Shares of the Company will be listed on the Stock Exchanges pursuant to this Offer. Further, from the date of the initial acquisition of Equity Shares of our Company by our Promoters in June 2019 to the date of filing of the Addendum and from the date of filing of the Addendum to the date of filing of this Red Herring Prospectus, neither has our Company nor our Promoter been subject to any adverse action from any statutory authority involving the Equity Shares held by our Promoter.

As per Regulation 14 and Regulation 16(1) of the SEBI ICDR Regulations, 20% of the post-issue share capital of the issuer company which is held by its promoter is required to be locked-in for a period of 18 months from the date of allotment in the initial public offering and promoter's holding in excess of such minimum promoter's contribution is required to be locked-in for a period of six months from the date of allotment in the initial public offering

(i) However, to instil confidence in the market and to continue their strong commitment to our Company, our Promoter has offered to lock-in (including voluntary lock-in – "**Additional Lock-in**") of 236,531,060 Equity Shares (aggregating to 59.92% of the pre-Offer Equity Share capital of our Company) held by our Promoter in the following manner:

   a. A portion of the 236,531,060 Equity Shares which aggregates to 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter shall be locked-in for a period of 24 months, out of which a lock-in of 18 months is in accordance with Regulation 16(1)(a) of the SEBI ICDR Regulations, which shall be considered as minimum promoter's contribution ("**Minimum Promoter's Contribution**").

   b. Remaining portion of 236,531,060 Equity Shares held by our Promoter will be locked in for a period of 12 months, out of which a lock-in of six months is in accordance with Regulation 16(1)(b) of the SEBI ICDR Regulations ("**Additional Lock-in**"); and

(ii) Further, as required under the SEBI ICDR Regulations, our Promoter's shareholding in excess of the Minimum Promoter's Contribution and the Additional Lock-in, except for the Equity Shares sold pursuant to the Offer for Sale, shall be locked in for a period of six months from the date of Allotment in accordance with Regulation 16(1)(b) of the SEBI ICDR Regulations ("**Six-Month Lock-in**").

For reference, a summary of the Equity Shares held by our Promoter which would be locked-in from the date of Allotment in the Offer along with the number of Equity Shares offered by our Promoter in the Offer for Sale, calculated on the basis of the Floor Price and the Cap Price, is set forth below:

Particulars	Number of Equity Shares calculated on the basis of Floor Price	Percentage of pre-Offer paid-up Equity Share capital calculated on the basis of Floor Price	Number of Equity Shares calculated on the basis of Cap Price	Percentage of pre-Offer paid-up Equity Share capital calculated on the basis of Cap Price
Minimum Promoter's Contribution	[●]	[●]	[●]	[●]
Additional Lock-in	[●]	[●]	[●]	[●]
Six-month Lock-in	[●]	[●]	[●]	[●]
Offer for Sale	[●]	[●]	[●]	[●]

Note: To be computed after finalisation of the Price Band.

The details of the Equity Shares held by our Promoter to be locked-in for a period of 24 months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment/ transfer of Equity Shares	Nature of transaction	Face value per Equity Share (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up Equity Share capital	Percentage of post-Offer paid-up Equity Share capital*	Date up to which the Equity Shares are subject to lock in
BCP Topco	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

* *Subject to finalisation of the Basis of Allotment.*

Our Promoter has consented to include an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company as Minimum Promoter's Contribution. Our Promoter has agreed not to dispose-off, sell, transfer or pledge in any manner the Minimum Promoter's Contribution from the date of filing this Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Minimum Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "- *History of the Share capital held by our Promoter*" on page 81.

In this connection, we confirm the following:

(i) The Equity Shares offered for Minimum Promoter's Contribution do not include (a) Equity Shares acquired in the three immediately preceding years for consideration other than cash and out of revaluation of assets or capitalisation of intangible assets; (b) Equity Shares that have resulted from bonus issue during the three immediately preceding years by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of the Minimum Promoter's Contribution;

(ii) The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a Company;

(iv) The Equity Shares held by the Promoter and offered for the Minimum Promoter's Contribution are not pledged with any creditor; and

(v) All the Equity Shares held by the Promoter are held in dematerialised form.

d) Details of Equity Shares locked-in for 6 months:

In addition to the Equity Shares forming a part of the Minimum Promoter's Contribution and Additional Lock-in, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment in the Offer, except for the Equity Shares sold pursuant to the Offer for Sale, any Equity Shares allotted to the employees (whether or not they are current employees) of our Company under the ESOP 2018 and ESOP 2020, and any other categories of shareholders of the Company exempt under Regulation 17 of the SEBI ICDR Regulations, as applicable.

Further, the Equity Shares which have been allotted to employees under the erstwhile ESAR 2018 which amount to 10,599 Equity Shares as on date of this Red Herring Prospectus, shall be subject to lock-in for a period of six months from the date of Allotment in the Offer in terms of Regulation 17 of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoter, which are locked-in may be transferred to and amongst the members of the Promoter Group 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 SEBI Takeover Regulations, as applicable.

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter, forming a part of the Minimum Promoter's Contribution may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoter which is locked-in for a period of six months from the date of Allotment may be pledged only with scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies 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.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoter and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the SEBI Takeover Regulations.

10. *Anchor Investors Lock-in*

    50% of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining Equity Shared allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of the Allotment.

11. Except for the issue of any Equity Shares pursuant to exercise of options granted under the ESOP 2018 and ESOP 2020, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/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 by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

12. All Equity Shares held by our Promoter are in dematerialised form.

13. As on the date of filing of this Red Herring Prospectus, the total number of shareholders of our Company is 51.

14. Our Promoter, any member of our Promoter Group, any of the Directors of our Company, any of the directors of our Promoter or any of their relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Red Herring Prospectus.

15. There have been no financing arrangements whereby members of our Promoter Group, our Directors, directors of our Promoter and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Red Herring Prospectus.

16. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the Book Running Lead Managers have not made any buy-back arrangements for purchase of Equity Shares from any person.

17. As on the date of this Red Herring Prospectus, except for 4,650,000 Equity Shares constituting 1.18% of the total pre-Offer Equity Share capital of our Company, held by ICICI Bank Limited (ICICI Bank Limited being the holding company of I-Sec), the Book Running Lead Managers and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares.

18. All Equity Shares transferred pursuant to the Offer will be fully paid-up at the time of Allotment in the Offer and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

19. Except the options granted pursuant to the ESOP 2018 and the ESOP 2020, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Red Herring Prospectus.

20. As per Regulation 49(2) of the SEBI ICDR Regulations, any oversubscription to the extent of 1% of the Offer size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis

of Allotment in the Offer.

21. Our Promoter and Promoter Group shall not participate in the Offer, except to the extent of the Offer for Sale by our Promoter.

22. Except for the issue of any Equity Shares pursuant to exercise of options granted under the ESOP 2018 and the ESOP 2020, there will be no 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 this Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges, or all application monies have been refunded, as the case may be.

23. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

24. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Directors, members of our Promoter Group and the Promoter, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

25. Our Company has and shall ensure that transactions in the Equity Shares by our Promoter and the Promoter Group between the date of filing of this Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.

26. **Employee stock option plans**

Aadhar Housing Finance Limited - Employee Stock Options Plan 2018 ("ESOP 2018")

Our Company, pursuant to the resolutions passed by our Board on February 26, 2018 and our Shareholders on March 26, 2018, adopted the Erstwhile ESAR 2018. The Erstwhile ESAR 2018 has been amended and varied to the ESOP 2018 pursuant to the resolutions passed by our Board and our Shareholders on January 21, 2024 and January 24, 2024, respectively.

The objective of the ESOP 2018 is to reward the employees of our Company for their performance and to motivate them to contribute to the growth and profitability of our Company. Our Company also intends to use the ESOP 2018 to retain talent working with our Company. Further, the maximum number of Equity Shares that can be issued under the ESOP 2018 will not exceed 1,865,545 Equity Shares, subject to modifications, as may be deemed necessary by our Board or Nomination and Remuneration Committee.

The details of the ESOP 2018, as certified by S K Patodia & Associates LLP, through a certificate dated April 30, 2024 are as follows:

Particulars	From January 1, 2024 to date of filing of this Red Herring Prospectus	From April 1, 2023 to December 31, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Total options outstanding at the beginning of the period	1,865,545	1,969,286.3	1,969,286.3	1,969,286.3	198,992.5
Adjustment on account of bonus issue	Nil	Nil	Nil	Nil	1,790,932.3
Total options granted	Nil	Nil	Nil	Nil	Nil
Exercise price of options in ₹ (as on the date of grant options)	29.2	29.2	29.2	29.2	29.2
Total options vested (excluding the options that have been exercised)	1,865,545	1,865,545.1	1,969,286.3	1,969,286.3	1,181,571.8
Options exercised	Nil	Nil	Nil	Nil	12,383.1
The total number of Equity Shares arising as a result of exercise of options (including options that have been exercised)	Nil	Nil	Nil	Nil	10,599
Options forfeited/lapsed/cancelled	-	103,741.2	-	-	8,255.4
Variation of terms of options	-	-	-	-	-

Particulars	From January 1, 2024 to date of filing of this Red Herring Prospectus	From April 1, 2023 to December 31, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Money realized by exercise of options	Nil	Nil	Nil	Nil	105,990
Total number of options outstanding in force	1,865,545	1,865,545.1	1,969,286.3	1,969,286.3	1,969,286.3
Employee-wise detail of options granted to:					
i. Key managerial personnel	Nil	Nil	Nil	Nil	Nil
ii. Senior management	Nil	Nil	Nil	Nil	Nil
iii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	Nil	Nil	Nil	Nil
iv. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	Nil	Nil	Nil	Nil
Fully diluted earnings per equity share (face value of ₹10 Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance with the accounting standard Ind AS 33 for 'Earnings per Share'	Not Applicable	13.5	13.4	10.9	8.4
Lock-in	Nil	Nil	Nil	Nil	Nil
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of the Company	Nil	Nil	Nil	Nil	Nil
Description of the pricing formula method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black Scholes				
-Expected life of options (years)	3 Years	3 Years	3 Years	3 Years	3 Years

Particulars	From January 1, 2024 to date of filing of this Red Herring Prospectus	From April 1, 2023 to December 31, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
-Volatility (% p.a)	0.0%	0.0%	0.0%	0.0%	0.0%
-Risk free rate of returns (%)	7.5%	7.5%	7.5%	7.5%	7.5%
Dividend yield (%)	2.4%	2.4%	2.4%	2.4%	2.4%
Impact on profit and earnings per Equity Share (face value of ₹10 Equity Share, as applicable) of the last three years if the accounting policies prescribed in the SEBI SBEB Regulations had been followed in respect of options granted in the last three years	Nil	Nil	Nil	Nil	Nil
Intention of the Key Managerial Personnel, Senior Management and whole time directors who are holders of Equity Shares allotted on exercise of options granted to sell their equity shares within three months after the date of listing of Equity Shares pursuant to the Offer			Key Managerial Personnel and Senior Management Personnel may, subject to market conditions, sell Equity Shares allotted on the exercise of their options, in full or in part, post-listing of the Equity Shares of the Company and the quantum of sale of such Equity Shares is undecided		
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)			Nil		

Notes:
The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹10 each for each existing equity share of the face value of ₹10 each on January 16, 2021 in extraordinary general meeting (EGM). Above information has been prepared after giving effect of Bonus Shares in all periods.
2. For the purpose of exercise of ESOPs the calculated grants shall be adjusted to the nearest integer.

Employee Stock Option Plan 2020 ("ESOP 2020")

Our Company, pursuant to the resolutions passed by our Board on March 5, 2020 and our Shareholders on April 27, 2020, adopted the ESOP 2020. Pursuant to resolutions of our Shareholders dated March 13, 2021, and resolutions of our Board of Directors and our Nomination and Remuneration Committee, each dated February 18, 2021, ESOP 2020 was amended to, inter alia, increase the maximum number of options which can be granted. Further, pursuant to resolutions of our Board of Directors and our Nomination and Remuneration Committee, each dated February 28, 2022 and May 2, 2022 and special resolutions passed by our Shareholders on March 23, 2022 and May 26, 2022, ESOP 2020 of the Company has been amended for certain changes in the vesting schedules of the options granted under ESOP 2020 and to align ESOP 2020 with the SEBI SBEB Regulations.

The objective of ESOP 2020 is to incentivise, induce, reward and motivate the employees of our Company to contribute effectively towards the future growth and profitability of our Company, align the employees towards a common objective of creating value for our Company as well as to induce the employees to remain in the service of our Company. Further, ESOP 2020 provides that the maximum number of options that can be granted under it shall not, at any time, upon exercise, exceed 24,000,000 Equity Shares (or such other adjusted figure for any re-organisation of the capital structure undertaken in accordance with the ESOP 2020).

The Nomination and Remuneration Committee of our Company is entitled to identify the employees for granting of options in accordance with the ESOP 2020. Under the ESOP 2020, certain options granted to employees will qualify for vesting based on the time based and performance based eligibility in accordance with the terms of the ESOP 2020 from the date our Promoter receives a net sale consideration of USD 500,000,000 cumulatively from the sale of the Equity Shares held by it.

The details of the ESOP 2020, as certified by S K Patodia & Associates LLP, through a certificate dated April 30, 2024 are as follows:

Particulars	From January 1, 2024 to date of filing of this Red Herring Prospectus	From April 1, 2023 to December 31, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Total options outstanding at the beginning of the period	11,250,750	10,198,847	11,150,433	10,702,850	1,044,395
Adjustment on account of bonus issue	Nil	Nil	Nil	Nil	9,399,555
Total options granted	6,532,024	1,757,692	Nil	1,879,549	615,460
Exercise price of options in ₹ (as on the date of grant options)	147.5	147.5	90.81	90.81	90.81
Total options vested (excluding the options that have been exercised)	Nil	Nil	Nil	Nil	Nil
Options exercised	Nil	Nil	Nil	Nil	Nil
The total number of Equity Shares arising as a result of exercise of options (including options that have been exercised)	Nil	Nil	Nil	Nil	Nil
Options forfeited/lapsed/cancelled	489,565	705,789	951,586	1,431,966	356,560
Variation of terms of options	-	-	-	-	-
Money realized by exercise of options	Nil	Nil	Nil	Nil	Nil
Total number of options outstanding in force	17,293,209	11,250,750	10,198,847	11,150,433	10,702,850
Employee-wise detail of options granted to:					
i. **Key managerial personnel**	1,254,672	Nil	Nil	361,648	Nil
(a) Rishi Anand	478,267	Nil	Nil	100,000	Nil
(b) Deo Shankar Tripathi	286,960	Nil	Nil	138,628	Nil
(c) Rajesh Viswanathan	433,777	Nil	Nil	100,000	Nil
(d) Harshada Pathak	55,668	Nil	Nil	23,020	Nil
ii. **Senior management***	957,814	Nil	Nil	91,663	259,310
(a) Haryyaksha Ghosh	149,210	Nil	Nil	Nil	259,310
(b) Anmol Gupta	278,062	Nil	Nil	41,294	Nil
(c) R. Anil Kumar Nair	240,246	Nil	Nil	22,511	Nil
(d) Sreekanth V. N.	140,143	Nil	Nil	15,548	Nil
(e) Nirav Shah	150,153	Nil	Nil	12,310	Nil
iii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	Nil	Nil	Nil	44,050
(a) Hardik Thaker	Nil	Nil	Nil	Nil	44,050
iv. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	NIL				
Fully diluted earnings per equity share (face value of ₹10 Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance with the accounting standard Ind AS 33 for 'Earnings per Share'	Not Applicable	13.5	13.4	10.9	8.4
Lock-in	Shares issued pursuant to exercise of ESOP shall not be subject to any Lock-in				
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation	Nil				

Particulars	From January 1, 2024 to date of filing of this Red Herring Prospectus	From April 1, 2023 to December 31, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of the Company					
Description of the pricing formula method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Black Scholes				
-Expected life of options (years)	3 years to 9 years	3 years to 9 years	3 years to 9 years	3 years to 9 years	3 years to 9 years
-Volatility (% p.a)	9.7% to 22.1%	9.7% to 22.1%	9.7% to 22.1%	9.7% to 22.1%	9.7% to 22.1%
-Risk free rate of returns (%)	4% to 7.3%	4% to 7.3%	4% to 6.7%	4% to 6.7%	4% to 6.7%
Dividend yield (%)	0.0% to 0.8%	0.0% to 0.8%	0.6% to 0.8%	0.6% to 0.8%	0.6% to 0.8%
Impact on profit and earnings per Equity Share (face value of ₹10 Equity Share, as applicable) of the last three years if the accounting policies prescribed in the SEBI SBEB Regulations had been followed in respect of options granted in the last three years	Nil				
Intention of the Key Managerial Personnel, Senior Management and whole time directors who are holders of Equity Shares allotted on exercise of options granted to sell their equity shares within three months after the date of listing of Equity Shares pursuant to the Offer	Key Managerial Personnel and Senior Management Personnel may, subject to market conditions, sell Equity Shares allotted on the exercise of their options, in full or in part, post-listing of the Equity Shares of the Company and the quantum of sale of such Equity Shares is undecided				
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	Nil				

** In addition to Rajesh Viswanathan, the Chief Financial Officer and Harshada Pathak, the Company Secretary and Compliance Officer whose details are provided in "Key Managerial Personnel" above.*

Notes:

1. The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹10 each for each existing equity share of the face value of ₹10 each on January 16, 2021 in extraordinary general meeting (EGM). Above information has been prepared after giving effect of Bonus Shares in all periods.

2. For the purpose of exercise of ESOPs the calculated grants shall be adjusted to the nearest integer.

OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue and the Offer for Sale.

Offer for Sale

The Promoter Selling Shareholder will be entitled to the proceeds of the Offer for Sale, net of their proportion of Offer-related expenses and the relevant taxes thereon. Our Company shall not receive any proceeds from the Offer for Sale. All Offer related expenses will be shared, as mutually agreed in the Offer Agreement and in accordance with applicable law. Details of participation by the Promoter Selling Shareholder in the Offer for Sale are set out below:

Name of the Promoter Selling Shareholder	Category	Post-Offer Shareholding of the Promoter Selling Shareholder*	Maximum number of Offered Shares (up to)	Aggregate proceeds from the sale of Equity Shares forming part of the Offer for Sale (₹ in million)
BCP Topco VII Pte. Ltd.	Promoter Selling Shareholder	[●]	[●]	Up to 20,000

** To be determined after finalisation of the Offer Price*

Objects of the Fresh Issue

Our Company proposes to utilize the Net Proceeds towards the following:

(i) To meet future capital requirements towards onward lending; and
(ii) General corporate purposes.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

Further, a portion of the proceeds from the Fresh Issue will be used towards meeting Offer Expenses. For further details, see "– *Offer Expenses*" on page 93 below.

The main objects clause and objects incidental and ancillary to the main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution or agency.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarized in the following table:

Particulars	Estimated amount (₹ in million)
Gross proceeds of the Fresh Issue	Up to 10,000
(Less) Estimated Offer related expenses in relation to the Fresh Issue to be borne by our Company	[●](1)(2)
Net Proceeds	**[●]**

(1) To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.
(2) For details, see "- Offer Expenses" below.

Requirement of Funds and Utilization of Net Proceeds

Particulars	Estimated amount (₹ in million)	Percentage of Net Proceeds (%)
To meet future capital requirements towards onward lending	7,500	Up to [●]
General corporate purposes (1)(2)	[●](1)(2)	[●](1)(2)
Total Net Proceeds	**[●]**	**100%**

(1) To be determined after finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.
(2) The Net Proceeds will first be utilized towards the object of meeting future capital requirements towards onward lending as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with SEBI ICDR Regulations.

Proposed Schedule of Implementation and Deployment of Funds

(₹ in million)

S. No.	Particulars	Total estimated amount/ expenditure	Percentage of Net Proceeds (%)	Amounts to be deployed from the Net Proceeds in the Fiscal 2025
1.	To meet future capital requirements towards onward lending	7,500	[●]	7,500
2.	General corporate purposes*	[●]	[●]	[●]
	Total Net Proceeds	**[●]**	**[●]**	**[●]**

**To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

The proposed fund deployment is based on current circumstances of our business, and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. However, there will be no variation in the deployment of funds, including in the event there is a delay in receipt of the mandatory approvals. See, "*Risk Factors - Our management will have flexibility over the use of the Net Proceeds of the Fresh Issue*" on page 48.

Details of the Objects of the Fresh Issue

1. To meet future capital requirements towards onward lending

We are a housing finance company in India and are registered with the NHB and are a notified financial institution under the SARFAESI Act. We focus on providing low income housing finance products for the economically weaker sections and lower income segments in India and cater to both salaried and self-employed borrowers. For details, see "*Our Business*" on page 151.

As per the RBI Master Directions – HFC, we are required to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital of not less than 15% of our aggregate risk weighted assets and risk adjusted value of off-balance sheet items with Tier-I capital not below 10% at any point of time. Further, we are required to ensure that total Tier-II capital, at any point of time, shall not exceed 100% of the Tier-I capital. For further details, see "*Key Regulations and Policies in India*" on page 179. As of December 31, 2023, our Company's CRWAR, in accordance with the Restated Consolidated Financial Information, was 39.7%, of which Tier – I capital was 38.9%.

The table sets forth the details of composition of our Tier – I and Tier – II capital as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, as per the schedule II return filed by the Company with NHB based on standalone financial statements:

(₹ in millions except percentages)

Particulars	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Paid-up Equity Capital	3,947.6	3,947.6	39,47.6	3,947.6	3,947.6
Statutory reserve (Special reserve as per Section 29C of National Housing Bank Act, 1987 and Special reserve as per Section 36(1)(viii) of the Income Tax Act, 1961) (refer note (i) below)	2,609.1	3,499.5	4,589.5	3,499.5	4,589.5
General reserve	926.9	1,361.9	1,906.9	1,361.9	1,906.9
Securities premium	13,370	13,370.0	13,370.0	13,370.0	13,370.0
Debenture redemption reserve	1,691	1,691.0	1,691.0	1,691.0	1,691.0
Retained earnings	4,308.2	7,434.6	11,245.1	11,475.4	16,712.9
Employee Stock Option Outstanding	0.0	148.7	0.0	0.0	0.0
Deferred revenue expenditure, Other intangible assets & Other ineligible items for Tier I capital	(231)	(403.2)	(2,008.4)	(350.3)	(3,385.5)
Tier I Capital	**26,621.8**	**31,050.1**	**34,741.7**	**34,995.7**	**38,833.0**
General provisions for standard assets	249.2	354.7	529.4	439.4	539.2
Subordinated debt	660.0	492.0	360.0	360.0	240.0
Tier II Capital	**909.2**	**846.7**	**889.4**	**799.4**	**779.2**
Total Capital Fund (Tier I & Tier II)	**27,531.0**	**31,896.8**	**35,631.1**	**35,795.1**	**39,612.2**

Set forth below are the details of our CRWAR and Tier I and Tier II capital as disclosed in the Restated Consolidated Financial Information on the basis of the regulatory return filed with the NHB pursuant to the NHB Circular as of December 31, 2023 and December 31, 2022, and as of March 31, 2023, 2022 and 2021, and our Tier I and Tier II capital as a percentage of risk weighted assets as of that date:

(₹ in million, except percentages)

Particulars	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Tier I Capital	26,621.8	31,050.1	34,741.7	34,995.7	38,833.0
Tier II Capital	909.2	846.7	889.4	799.4	779.2
Total Capital Fund (Tier I & Tier II)	27,531.0	31,896.8	35,631.1	35,795.1	39,612.2
Risk weighted Assets*	62,454.9	70,243.2	83,391.3	79,794.0	99,707.8
CRWAR-Tier I Capital(1)	42.6%	44.2%	41.7%	43.9%	38.9%
CRWAR- Tier II Capital(2)	1.5%	1.2%	1.1%	1.0%	0.8%
CRWAR(3)#	44.1%	45.4%	42.7%	44.9%	39.7%

** On a standalone basis*
 # Reported CRWAR is as disclosed in the Restated Consolidated Financial Information on the basis of the regulatory return filed with the NHB pursuant to the NHB Circular
1. *CRWAR (Capital Risk Adjusted Ratio) -Tier I Capital = [Tier I Capital / Risk Weighted Assets]*
2. *CRWAR (Capital Risk Adjusted Ratio) -Tier II Capital = [Tier II Capital / Risk Weighted Assets]*
3. *CRWAR (Capital Risk Adjusted Ratio) = [Tier I Capital and Tier II Capital / Risk Weighted Assets]*

Set forth below are the details of our AUM as of December 31, 2023 and December 31, 2022 and for Fiscals 2023, 2022 and 2021:

(₹ in million, except percentages)

Particulars	As of March 31, 2021	As of March 31, 2022	As of March 31, 2023	As at December 31, 2022	As at December 31, 2023
AUM	133,271.0	147,777.9	172,228.3	1,65,664.6	1,98,651.6
AUM growth (%)	16.6%	10.9%	16.5%	16.1%	20.5%

For details of our consolidated NPAs for the periods ended December 31, 2023, December 31, 2022, and the years ended March 31, 2023, March 31, 2022 and March 31, 2021, see "*Selected Statistical Information*" on page 215.

While our Company's CRWAR during the Financial Years 2021, 2022 and 2023 exceeds the regulatory thresholds of 15% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items prescribed by the RBI under Chapter IV of the RBI Master Directions – HFCs ("**Regulatory Thresholds**"), we believe that in order to maintain our Company's growth rate, we will require further capital in the future in order to remain complaint with such Regulatory Thresholds. Further, in November 2023, the RBI issued a circular providing for an increased risk weight on consumer credit exposure (excluding home loans) from 100% to 125%. As a result, loans against property (excluding housing loans) without end use as business may attract the requirement of higher risk weights, which may reduce our CRWAR in the future.

Our Company's business is dependent on its ability to raise funds at competitive rates, which in turn, depends on various factors including our credit ratings. Considering that the higher CRWAR would positively impact the credit ratings of our Company, which would lower the borrowing costs thereby positively impacting our interest margins and financial condition, we accordingly, propose to utilize an amount aggregating to ₹ 7,500 million out of the Net Proceeds towards maintaining higher Tier 1 capital in light of our onward lending requirements. We believe that maintaining higher Tier 1 capital will help us remain competitive with our industry peers. We anticipate that the portion of the Net Proceeds allocated towards this object will be sufficient to satisfy our Company's future capital requirements, which are expected to arise out of growth of our business and assets.

2. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to [●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations, including but not limited to meeting expenses incurred in ordinary course of business such as strategic initiatives including expansion of distribution network, advancement of information technology, repayment of indebtedness from time to time, meeting operating expenses and meeting general corporate exigencies and contingencies and any other business requirements, and any other purpose as maybe approved by the Board or a duly appointed committee from time to time, subject to compliance with necessary provisions of the Companies Act, 2013.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million.

The Offer related expenses primarily include, among others, listing fees, fees payable to the BRLMs and legal advisors, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. Other than (a) the listing fees, audit fees of the statutory auditors (other than to the extent attributable to the Offer) which will be borne by our Company and (b) fees and expenses in relation to the legal advisor to the Promoter Selling Shareholder which shall be borne by the Promoter Selling Shareholder, all cost, charges, fees and expenses (including all the applicable taxes) associated with and incurred with respect to the Offer shall be shared amongst our Company and Promoter Selling Shareholder on a pro-rata basis in proportion to the number of Equity Shares proposed to be issued and Allotted by the Company through the Fresh Issue and proposed to be sold by the Promoter Selling Shareholder through the Offer for Sale and in accordance with applicable law.

All such Offer related expenses to be proportionately borne by the Promoter Selling Shareholder shall be deducted from the proceeds from the Offer for Sale, and subsequently, the balance amount from the Offer for Sale will be paid to the Promoter Selling Shareholder, if the Offer is successful. Further, in the event the Offer is withdrawn or is not completed for any reason whatsoever, the Offer related expenses attributable to the Promoter Selling Shareholder shall be shared by the Promoter Selling Shareholder in the manner as mentioned above.

The estimated Offer related expenses are as under:

Activity	Estimated expenses (1) (₹ in million)	As a % of the total estimated Offer expenses (1)	As a % of the total Offer size (1)
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs and Bankers to the Offer and fee payable to the Sponsor Banks for Bids made by RIBs using UPI (2)(3)	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(4)(5)(6)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to others(7)	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal advisors	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Amounts will be finalised on determination of Offer Price*

(2) *Selling commission payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders and Eligible Employee(s), which are directly procured by the SCSBs, would be as follows:*

Portion for RIBs	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.20% of the Amount Allotted* (plus applicable taxes)*
Eligible Employee(s)	*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.*
Selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

(3) *No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.*
Processing fees payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders and Eligible Employee(s) (excluding UPI Bids) 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 RIBs, Non-Institutional Bidders and Eligible Employee(s)**	*₹10 per valid Bid cum Application Form (plus applicable taxes)*

** Processing fees payable to the SCSBs for capturing Syndicate Member/sub-Syndicate (Broker)/sub-broker code on the ASBA Form for Non-Institutional Bidders and QIBs with Bids above ₹500,000 would be ₹10 plus applicable taxes, per valid application.*

Notwithstanding anything contained above the total processing fee payable under this clause (3) will not exceed ₹ 1 million (plus applicable taxes) and in case if the total processing fees exceeds ₹ 1 million (plus applicable taxes) then processing fees would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹ 1 million.

(4) *Selling commission on the portion for RIBs (up to ₹200,000), Eligible Employee(s) (up to ₹500,000) and Non-Institutional Bidders (from ₹200,000 to ₹500,000) which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat and bank account provided by some of the registered brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows:*

Portion for RIBs	*0.35% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*0.20% of the Amount Allotted* (plus applicable taxes)*
Portion for Eligible Employee(s)	*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.*

The selling commission payable to the Syndicate / Sub-Syndicate Members will be determined (i) for RIBs, Non- Institutional Bidders and Eligible Employees (up to ₹ 0.50 million), on the basis of the application form number / series, provided that the Bid cum Application Form is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member; and (ii) for Non-Institutional Bidders (above ₹ 0.50 million), Syndicate ASBA form bearing SM Code and Sub-Syndicate code of the application form submitted to SCSBs for blocking of the fund and uploading on the exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will *be payable to the Syndicate / Sub Syndicate members and not the SCSB.*

(5) *Bidding charges payable to Syndicate Members (including their Sub-Syndicate Members) on the applications made using 3-in-1 accounts would be ₹ 10 plus applicable taxes, per valid application bid by the Syndicate (including their Sub- Syndicate Members). Bidding charges payable to SCSBs on the QIB Portion and Non-Institutional Bidders (excluding UPI Bids) which are procured by the Syndicate/sub- Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking and uploading would be ₹ 10 per valid application (plus applicable taxes).*
The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.
Selling commission/ Bid uploading charges payable to the Registered Brokers on the portion for RIBs (up to ₹200,000), Eligible Employee(s) (up to ₹500,000, procured through UPI Mechanism, and Non-Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹10 per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹10 per valid Bid cum Application Form (plus applicable taxes)*
*Portion for Eligible Employee(s) **	*₹10 per valid Bid cum Application Form (plus applicable taxes)*

** Based on valid applications*

(6) *Bid uploading charges/processing fees for applications made by RIBs (up to ₹200,000), Eligible Employee(s) (up to ₹500,000) and Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism would be as under:*

*Members of the Syndicate / RTAs / CDPs (uploading charges)**	*₹30 per valid Bid cum Application Form (plus applicable taxes)*
Sponsor Banks (Processing Fees)	*₹ Nil per valid Bid cum Application Form* *will also be entitled to a one-time escrow management fee of Rs. Nil.* *The Sponsor Banks shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

**The total uploading charges / processing fees payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers as listed under (4) will be subject to a maximum cap of ₹ 10 million (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹ 10 million, then the amount payable to Members of the Syndicate, RTAs, CDPs, Registered Brokers would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹ 10 million.*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and the Cash Escrow and Sponsor Banks Agreement. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with the SEBI RTA Master Circular, in a format as prescribed by SEBI, from time to time and in accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022

(7) *This includes fees payable to our Joint Statutory Auditors, our previous statutory auditors, the practicing company secretary and the independent chartered accountant appointed for providing confirmations and certificates for the purpose of the Offer, CRISIL for preparing the industry report commissioned by our Company, the virtual data room provider in connection with due diligence for the Offer, etc.*

Means of finance

The fund requirements set out for the aforesaid objects of the Offer are proposed to be met entirely from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals as required under the SEBI ICDR Regulations.

Interim use of Net Proceeds

Our Company will deploy the Net Proceeds, in accordance with applicable law. Pending utilization for the purposes described above, our Company will deposit the Net Proceeds only with one or more scheduled commercial banks included in the second schedule of the RBI Act as may be approved by our Board or IPO Committee.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company or for any investment in equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilization of Funds

In terms of Regulation 41 of the SEBI ICDR Regulations, as the proposed Fresh Issue exceeds ₹1,000.0 million, our Company has appointed ICRA Limited as the monitoring agency to monitor the utilisation of the Gross Proceeds, prior to filing of this Red Herring Prospectus with the RoC. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Gross Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulations, on a quarterly basis, until such time as the Gross Proceeds have been utilised in full. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Gross Proceeds, including interim use under a separate head in its balance sheet for such Financial Years as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Gross Proceeds have been utilised, till the time any part of the Issue Proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable Financial Years, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such currently unutilised Gross Proceeds.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Gross Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditor and such certification shall be provided to the Monitoring Agency. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Gross Proceeds from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the Gross Proceeds from the objects of the Issue as stated above. Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various heads, as applicable, in the notes to our quarterly results. Our Company will indicate investments, if any, of unutilised Gross Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution. Further, the dissenting Shareholders shall be provided an exit opportunity at a price and in such manner as prescribed under Regulation 59 and Schedule XX of the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by us as consideration to our Promoter, Promoter Group, the Directors, Key Managerial Personnel and Senior Management Personnel except in the normal course of business and in compliance with applicable law.

Our Company has not entered into and is not planning to enter into any arrangement/ agreements with our Promoter, Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel in relation to the utilisation of the Net Proceeds. Further there is no existing or anticipated interest of such individuals and entities in the objects of the Fresh Issue as set out above.

BASIS FOR OFFER PRICE

The Price Band will be determined by our Company in consultation with the Book Running Lead Managers. The Offer Price will also be determined by our Company, in consultation with the Book Running Lead Managers, 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 ₹10 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should refer to "*Risk Factors*", "*Our Business*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 24, 151, 237 and 335, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

- HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India with the highest AUM and net worth among our analyzed peers in Fiscal 2021, Fiscal 2022, Fiscal 2023 and nine months ended December 31, 2022 and December 31, 2023;
- Seasoned business model with strong resilience through business cycles
- Extensive branch and sales office network, geographical penetration and sales channels which contribute significantly to loan sourcing and servicing;
- Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality;
- Access to diversified and cost-effective long-term financing with a disciplined approach to asset liability and liquidity management;
- Social objectives are one of the core components of our business model; and
- Experienced, cycle-tested and professional management team with strong corporate governance.

For details, see "*Our Business – Competitive Strengths*" on page 154.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "*Restated Consolidated Financial Information*" and "*Other Financial Information*" on pages 237 and 333, respectively.

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

A. Basic and Diluted Earnings Per Equity Share ("EPS") (face value of each Equity Share is ₹10):

Fiscal / Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2021	8.6	8.4	1
March 31, 2022	11.3	10.9	2
March 31, 2023	13.8	13.4	3
Weighted Average	12.1	11.7	
For the nine months ended December 31, 2022(i)	10.2	9.9	-
For the nine months ended December 31, 2023(i)	13.9	13.5	-

(i) Basic and diluted earnings per share is not annualised for the nine months' period ended December 31, 2023 and December 31, 2022.
(ii) The shareholders vide special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹ 10 each for each existing equity share of the face value of ₹ 10 on January 16, 2021 in extraordinary general meeting (EGM). Consequently, earnings per share has been restated for all the years presented.

Notes:
The above ratios have been computed as below:

i. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
ii. Earnings per Share (₹) = Net profit after tax attributable to equity shareholders divided by Weighted average number of equity shares outstanding during the period.
iii. Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
iv. As at, March 31, 2023, March 31, 2022 and March 31, 2021, there are potential equity shares, hence considered in the calculation of diluted earnings per share.

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the Floor Price (number of times)	P/E at the Cap Price (number of times)
Based on basic EPS for period ended March 31, 2023	[●]*	[●]*
Based on diluted EPS for period ended March 31, 2023	[●]*	[●]*

* *To be computed after finalisation of the Price Band.*

C. Industry Peer Group P/E ratio

	P/E Ratio (x)
Highest	34.9
Lowest	28.1
Average	31.9

Notes:

(1) *The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "– Comparison with Listed Industry Peers" on page 102.*

(2) *The industry P / E ratio mentioned above is for the financial year ended March 31, 2023. P / E Ratio has been computed based on the closing market price of equity shares on BSE on April 18, 2024 divided by the Diluted EPS for the year ended March 31, 2023.*

(3) *All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the relevant companies for Fiscal 2023, as available on the websites of the stock exchanges.*

D. Return on Net worth ("RoNW")

Fiscal/Period ended	RoNW (%)	Weight
March 31, 2021	12.6%	1
March 31, 2022	14.1%	2
March 31, 2023	14.7%	3
Weighted Average	**14.2%**	-
December 31, 2022*	11.4%	-
December 31, 2023*	12.9%	-

* *Not annualised for the nine months' period ended December 31, 2023 and December 31, 2022.*

Notes:

(i) *Return on Net Worth (%) = Net profit/(loss) after tax for the years/period attributable to the owners of the Company / Net worth attributable to owners of the Company.*

(ii) *Net worth has been computed as a sum of paid up share capital and other equity excluding capital reserve on amalgamation.*

(iii) *The Weighted Average Return on Net Worth is a product of Return on Net Worth and respective assigned weight, dividing the resultant by total aggregate weight.*

E. Net Asset Value ("NAV") per Equity Share of ₹ 10 each

Financial Year/Period	Amount (₹)
As on March 31, 2023	93.7
As on December 31, 2023	107.6
After the completion of the Offer	
- At the Floor Price	[●]*
- At the Cap Price	[●]*
At Offer Price	[●]*

* *To be computed after finalisation of the Price Band. Offer Price per Equity Share will be determined on conclusion of the Book Building Process.*

Notes:

(1) *Net Asset Value per Equity Share = Net worth as per the Restated Consolidated Financial Information / Number of Equity Shares outstanding as at the end of year/period*

(2) *Net worth has been computed as a sum of paid up share capital and other equity excluding capital reserve on amalgamation.*

F. Key Performance Indicators

The tables below set forth the details of certain financial data based on our Restated Consolidated Financial Information, certain non-GAAP measures and key performance indicators ("**KPIs**") that our Company considers have a bearing for arriving at the basis for Offer Price. All the financial data based on our Restated Consolidated Financial Information, certain non-GAAP measures and KPIs disclosed below have been approved and confirmed by a resolution of our Audit Committee dated April 30, 2024. Further, the Audit Committee has confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors except our Promoter, at any point of time during the three years prior to the date of this Red Herring Prospectus. Further, our Company has not had any investor during the past three years other than our Promoter. The KPIs disclosed herein have been disclosed to our Promoter during the three years preceding the date of this Red Herring Prospectus and have been certified by S K Patodia & Associates LLP, Chartered Accountants by their certificate dated April 30, 2024.

Bidders can refer to the below-mentioned KPIs, being a combination of financial and operational metrics, to make an assessment of our Company's performance and make an informed decision.

A list of our KPIs, is set out below for the indicated periods below:

(₹ in million, unless otherwise specified)

Particulars	As at and for the Fiscal ended			As at and for the nine months period ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Financial					
Asset Under Management (AUM)(1)	133,271.0	147,777.9	172,228.3	165,664.6	198,651.6
Disbursements(2)	35,447.1	39,919.3	59,026.1	39,453.6	49,040.6
Profit After Tax	3,401.3	4,448.5	5,643.3#	4,040.6	5,478.8
Average yield on Loan Book (%)(3)	13.2%	12.8%	12.8%	12.8%*	14.0%*
Average cost of borrowings (%)(4)	8.2%	7.2%	7.0%	7.0%*	7.6%*
Spread (%)(5)	5.0%	5.6%	5.8%	5.8%*	6.4%*
Operating Expenses / Average Total Assets (%)(6)	2.1%	2.5%	3.1%	2.9%*	3.3%*
Cost to Income Ratio (%)(7)	35.8%	36.3%	38.1%	36.7%	36.2%
Return on Total Assets (%)(8)	2.6%	3.2%	3.6%#	3.6%*	4.2%*
Return on Equity (%)(9)	13.5%	15.2%	16.5%#	16.1%*	18.4%*
Gross NPA to AUM (%)(10)	1.1%	1.5%	1.2%	1.8%	1.4%
Net NPA to AUM (%)(11)	0.7%	1.1%	0.8%	1.3%	1.0%
Net worth(12)	26,927.6	31,466.3	36,976.0	35,556.8	42,491.0
Debt to Net worth ratio(13)	3.9	3.4	3.3	3.3	3.1
CRWAR (%)(14)	44.1%	45.4%	42.7%	44.9%	39.7%
Operational					
Number of branches(15)	310	332	469	415	487
Number of States(16)	20	20	20	20	20

** Annualised*

 # Prior to taking into account the exceptional items.

(1) Represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.

(2) Represent the aggregate of all loan amounts extended to our customers in the relevant year or period.

(3) Average yield on Loan Book is calculated as interest income on loans and advances divided by the average gross loan book.

(4) Average cost of borrowings is the simple average of finance cost outstanding at the first and last day of the financial year.

(5) Spread is calculated as average yield on loan book minus average cost of borrowings including assignment

(6) Operating Expenses / Average Total Assets (%) is the ratio of operating expenses to average total assets

(7) Cost to income ratio (%) is calculated as operating expenses to total income minus finance cost

(8) Return on Total Assets (%) is calculated as profit after tax divided by average total assets

(9) Return on Equity (%) is calculated as profit after tax divided by average total equity

(10) Gross NPA to AUM is calculated as the ratio of Gross NPA to AUM as on the last date of the relevant period.

(11) Net NPA to AUM is calculated as the ratio of Net NPA to AUM as on the last date of the relevant period.

(12) Net worth includes equity share capital plus other equity excluding capital reserve on amalgamation

(13) Debt to Net Worth Ratio is calculated as the ratio of total borrowings to net worth as on the last day of the relevant period.

(14) CRWAR (Capital to Risk Weighted Assets Ratio) is calculated as Tier I and II capital divided by weighted average of funded and non-funded items after applying risk weights as assigned by RBI

(15) Number of branches represents aggregate number of branches of our Company as of the last day of relevant period.

(16) Number of states represents aggregate number of states of our Company as of the last day of relevant period

For reconciliation of certain non-GAAP measures, see *"Selected Statistical Information – Non-GAAP Reconciliation"* on page 234. For details of our other operating metrics disclosed elsewhere in this Red Herring Prospectus, see "*Our Business*", "*Selected Statistical Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 151, 215 and 335, respectively.

Our Company shall continue to disclose the KPIs disclosed hereinabove in this section on a periodic basis, at least once in a year (or for any lesser period as determined by the Board of our Company), for a period of one year from the date of listing of the Equity Shares on the Stock Exchanges pursuant to the Offer, or until utilization of Offer Proceeds, whichever is later, or for such other period as may be required under the SEBI ICDR Regulations.

Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

In evaluating our business, we consider and use certain KPIs as presented above, as a supplemental measure to review and assess our financial and operating performance. The presentation of these KPIs are not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS. These KPIs have limitations as analytical tools. Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these metrics should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation. Although these KPIs are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability with past financial performance, when taken collectively with financial measures prepared in accordance with Ind AS.

Explanation for the KPIs

KPI	Explanation
Asset Under Management (AUM)	Represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by our Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.
Disbursements	Represents the aggregate of all loan amounts extended to the customers of our Company in the relevant year or period.
Profit After Tax	PAT represents Profit After Tax for the relevant year or period as per the Restated Consolidated Financial Information
Average yield on Loan Book (%)	Represents the ratio of interest income on loans for a year or period to the average Gross Loan Book for the year or period.
Average cost of borrowings (%)	Represents finance cost for the relevant year or period as a percentage of Average Borrowings in such year. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year or period and our Total Borrowings outstanding as of the last day of the previous year.
Spread (%)	Represents average yield on Gross Loan Book less average cost of borrowings including assignment.
Operating Expenses / Average Total Assets (%)	Represents the ratio of our operating expenses for a year or period to the average total assets for the year or period, expressed as a percentage.
Cost to Income Ratio (%)	Cost to income ratio represents the ratio of operating expenses for the relevant year or period divided by total income for the year or period, less finance costs for the year or period, expressed as a percentage.
Return on Total Assets (%)	Calculated as the Profit After Tax for the relevant year or period as a percentage of Average total assets in such year or period.
Return on Equity (%)	Return on Equity is calculated as the Profit After Tax for the relevant year or period as a percentage of Average Total Equity in such year or period.
Gross NPA to AUM (%)	Represents the ratio of our Gross NPA as of the last day or the relevant day or period to the AUM as of the last day of the relevant year or period
Net NPA to AUM (%)	Represents the ratio of our Net NPA as of the last day or the relevant day or period to the AUM as of the last day of the relevant year or period.
Net worth	Net worth is the aggregate of our equity share capital and other equity excluding capital reserve on amalgamation
Debt to Net worth ratio	Represents the ratio of our Total Borrowings to Net Worth as of the last day of the relevant period.
CRWAR (%)	The capital to risk weighted assets ratio (CRWAR) is calculated as capital funds (Tier I capital plus Tier II capital) divided by risk-weighted assets (the weighted average of funded and non-funded items after applying the risk weights as assigned by the RBI).
Number of branches	Number of branches represents aggregate number of branches of the Company as of the last day of relevant period.
Number of States	Number of states represents aggregate number of states of the Company as of the last day of relevant period.

Comparison of our KPIs with listed industry peers for the Financial Years included in the Restated Consolidated Financial Information

The following table provides a comparison of the KPIs of our Company with our peer group. The peer group has been determined on the basis of companies listed on Indian stock exchanges and globally, whose business profile is comparable to our businesses in terms of our size and our business model:

a) Aavas Financiers Limited

(₹ in million, unless otherwise specified)

Particulars	As at and for the financial year ended			As at and for the nine months period ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Financial					
Asset Under Management (AUM)	94,542.9	113,502.1	141,667.0	130,887.0	160,795.0
Disbursements	26,568.5	36,022.4	50,245.4	34,428.0	36,891.0
Profit After Tax	2,889.2	3,551.8	4,296.4	3,028.2	3,482.1
Average yield on Loan Book (%)	13.1%	12.8%	12.6%	NA	NA
Average cost of borrowings (%)	7.8%	6.7%	6.6%	NA	NA

Particulars	As at and for the financial year ended			As at and for the nine months period ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Spread (%)	5.3%	6.2%	6.0%	NA	NA
Operating Expenses/ Average Total Assets (%)	3.1%	3.5%	3.8%	NA	NA
Cost to Income Ratio (%)	39.8%	42.6%	45.0%	46.1%	46.1%
Return on Total Assets (%)	3.5%	3.6%	3.5%	NA	NA
Return on Equity (%)	12.8%	13.6%	14.1%	NA	NA
Gross NPA to AUM (%)	1.0%	1.0%	0.9%	1.1%	1.1%
Net NPA to AUM (%)	0.7%	0.7%	0.7%	NA	NA
Net worth	24,008.1	28,064.3	32,696.6	NA	NA
Debt to Net worth ratio	2.6	2.8	3.0	NA	NA
CRWAR (%)	54.4%	51.9%	47.0%	49.5%	45.0%
Operational					
Number of branches	280	314	346	321	351
Number of States	11	13	13	13	13

b) *Aptus Value Housing Finance India Limited*

(₹ in million, unless otherwise specified)

Particulars	As at and for the financial year ended			As at and for the nine - months period ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Financial					
Asset Under Management (AUM)	40,677.5	51,796.0	67,383.1	63,066.8	80,717.0
Disbursements	12,980.0	16,410.0	23,950.0	17,340.0	21,590.0
Profit After Tax	2,669.4	3,701.4	5,030.1	3,677.2	4,478.6
Average yield on Loan Book (%)	17.2%	17.2%	17.7%	NA	NA
Average cost of borrowings (%)	9.1%	8.0%	8.5%	8.3%*	8.9%*
Spread (%)	8.1%	9.2%	9.2%	NA	NA
Operating Expenses / Average Total Assets (%)	2.4%	2.3%	2.6%	2.5%*	2.5%*
Cost to Income Ratio (%)	22.3%	18.5%	19.4%	19.1%*	20.0%*
Return on Total Assets (%)	6.5%	7.3%	7.8%	7.8%*	7.7%*
Return on Equity (%)	14.5%	15.1%	16.1%	16.0%*	17.0%*
Gross NPA to AUM (%)	0.7%	1.2%	1.2%	NA	NA
Net NPA to AUM (%)	0.5%	0.9%	0.9%	1.1%	0.9%
Net worth	19,794.5	29,161.6	33,393.3	32,023.3	37,013.6
Debt to Net worth ratio	1.3	0.9	1.1	1.1	1.2
CRWAR (%)	73.6%	85.6%	77.4%	79.3%	70.5%
Operational					
Number of branches	190	208	231	215	262
Number of States	4	5	5	5	6

**Annualised*

c) *Home First Finance Company India Limited*

(₹ in million, unless otherwise specified)

Particulars	As at and for the financial year ended			As at and for the nine - months period ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Financial					
Asset Under Management (AUM)	41,410.7	53,803.3	71,980.0	67,511.8	90,137.4
Disbursements	10,966.1	20,305.3	30,129.1	21,437.9	28,614.7
Profit After Tax	1,001.4	1,861.0	2,282.9	1,642.6	2,222.5
Average yield on Loan Book (%)	12.8%	12.5%	13.3%	13.2%*	13.8%*
Average cost of borrowings (%)	7.8%	6.6%	7.3%	6.9%*	8.1%*
Spread (%)	5.0%	5.9%	5.9%	6.3%*	5.7%*
Operating Expenses / Average Total Assets (%)	2.6%	2.7%	2.9%	2.9%*	2.9%*
Cost to Income Ratio (%)	38.9%	33.9%	35.5%	36.0%*	35.7%*
Return on Total Assets (%)	2.5%	3.9%	3.9%	3.8%*	3.8%*
Return on Equity (%)	8.7%	12.6%	13.5%	13.2%*	15.4%*
Gross NPA to AUM (%)	1.8%	2.3%	1.6%	1.8%	1.7%
Net NPA to AUM (%)	1.2%	1.8%	1.1%	1.3%	1.2%
Net worth	13,805.4	15,736.9	18,173.4	17,483.3	20,318.0

Particulars	As at and for the financial year ended			As at and for the nine - months period ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Debt to Net worth ratio	2.2	2.2	2.6	2.7	3.4
CRWAR (%)	56.2%	58.6%	49.4%	49.6%	40.9%
Operational					
Number of branches	72	80	111	102	123
Number of States	12	13	13	13	13

**Annualised*

d) India Shelter Finance Corporation

(₹ in million, unless otherwise specified)

Particulars	As at and for the financial year ended			As at and for the nine - months period ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Financial					
Asset Under Management (AUM)	21,985.3	30,732.9	43,594.3	39,535.6	56,094.9
Disbursements	8,948.8	12,952.6	19,643.8	13,610.0	18,993.6
Profit After Tax	873.9	1,284.5	1,553.4	1,022.8	1,696.7
Average yield on Loan Book (%)	14.8%	15.3%	14.9%	NA	NA
Average cost of borrowings (%)	8.7%	8.3%	8.3%	8.7%*	8.8%*
Spread (%)	6.1%	7.0%	6.6%	NA	NA
Operating Expenses / Average Total Assets (%)	4.0%	4.7%	4.8%	4.9%*	4.5%*
Cost to Income Ratio (%)	38.9%	42.6%	45.5%	48.0%	42.2%
Return on Total Assets (%)	4.1%	4.5%	4.1%	3.8%*	4.5%*
Return on Equity (%)	9.8%	12.8%	13.4%	12.1%*	13.1%*
Gross NPA to AUM (%)	1.9%	2.1%	1.1%	NA	NA
Net NPA to AUM (%)	1.4%	1.6%	0.8%	NA	NA
Net worth	9,372.7	10,761.3	12,405.3	11,845.1	22,088.4
Debt to Net worth ratio	1.6	1.9	2.4	2.3	1.6
CRWAR (%)	71.5%	55.9%	52.7%	46.6%	72.3%
Operational					
Number of branches	115	130	183	170	215
Number of States	15	15	15	15	15

**Annualised*

G. Comparison with Listed Industry Peers

The peer group of the Company has been determined on the basis of companies listed on Indian stock exchanges and globally, whose business profile is comparable to our businesses in terms of our size and our business model:

Name of the Company	Total Revenue from operations	Face Value	P/E ratio	P/B ratio	EPS (Basic) for the Financial Year 2023 (₹)		Return on Net Worth (%)	Net Asset Value per equity share (₹)
	(₹ in million)	(₹ per share)			Basic	Diluted		
Aadhar Housing Finance Limited#	20,432.3	10	[●]^	[●]^	13.8	13.4	16.5	93.7
Listed peers*								
Aptus Value Housing Finance India Limited	10,933.6	2	31.3	4.7	10.1	10.1	16.1	67.1
Aavas Financiers Limited	16,087.6	10	28.1	3.7	54.4	54.3	14.1	413.6
Home First Finance Company India Limited	7,909.9	2	34.9	4.3	26.0	25.2	13.5	206.5
India Shelter Finance Corporation Limited	5,845.3	5	33.1	4.1	17.8	17.5	13.4	141.4

 # Financial information of our Company has been derived from the Restated Consolidated Financial Information prior to taking into account the exceptional items.
^ To be updated upon finalization of the Offer Price.
** Sources for listed peers information included above:*

(i) *All the financial information for listed industry peers is on a consolidated basis and is sourced from the financial information of such listed industry peer as at and for the year ended March 31, 2023 available on the website of the stock exchanges.*

(ii) *P/E ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE Limited ("BSE") as on April 18, 2024 divided by the diluted earnings per share for the year ended March 31, 2023.*

(iii) *P/B ratio for the listed industry peers has been computed based on the closing market price of equity shares on BSE as on April 18, 2024 divided by the net asset value per equity share as of the last day of the year ended March 31, 2023.*

(iv) *Return on net worth (%) is calculated as profit after tax for the financial year 2023 divided by yearly average total equity as at the end of the financial year 2023. Total equity is calculated as the sum of equity share capital and other equity.*

(v) *Net asset value per equity share is computed as net worth as of the last day of the relevant period/ year divided by the outstanding number of issued and subscribed equity shares as of the last day of such period/ year.*

H. Weighted average cost of acquisition ("WACA")

(a) Price per share of our Company based on primary/ new issue of Equity Shares or convertible securities (excluding Equity Shares issued under employee stock option plans and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transactions and excluding employee stock options granted but not vested) in a single transaction or multiple transactions combined together over a span of rolling 30 days

NIL

(b) Price per share of our Company based on secondary sale / acquisition of Equity Shares or convertible securities, where our Promoter (also the Promoter Selling Shareholder), members of our Promoter Group, or Shareholder(s) having the right to nominate director(s) to the Board of the our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transactions and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days

NIL

(c) Since there are no transactions to report under H(a) and H(b) above, the details basis the last five primary and secondary transactions (secondary transactions where our Promoter (also the Promoter Selling Shareholder), Promoter Group, or Shareholder(s) having the right to nominate director(s) to the Board of our Company, are a party to the transaction), during the three years preceding the date of this Red Herring Prospectus, irrespective of the size of transactions are to be included:

Primary transactions:

There have been no primary transactions in the last three years preceding the date of this Red Herring Prospectus.

Secondary acquisition:

There have been no secondary transactions where our Promoter (also the Promoter Selling Shareholder) and members of the Promoter Group, are a party to the transaction, in the last three years preceding the date of this Red Herring Prospectus.

I. Weighted average cost of acquisition ("WACA"), floor price and cap price

Based on the above transactions (set out in point H above), below are the details of the WACA, as compared to the Floor Price and the Cap Price:

Past Transactions	WACA	Floor Price^	Cap Price^
Weighted average cost of acquisition for primary / new issue of shares (equity/ convertible securities), excluding shares issued under an employee stock option plan/employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of filing of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NIL	[●]	[●]

Past Transactions	WACA	Floor Price^	Cap Price^
Weighted average cost of acquisition for last 18 months for secondary sale / acquisition of shares (equity/convertible securities), where promoter / promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) in our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of this Red Herring Prospectus, where either acquisition or sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	NIL	[●]	[●]
If there were no primary or secondary transactions of equity shares of our Company during the 18 months preceding the date of filing of this Red Herring Prospectus, where either issuance or acquisition/ sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where promoter /promoter group entities or Selling Shareholders or shareholder(s) having the right to nominate director(s) on our Board, are a party to the transaction, during the last three years preceding to the date of filing of this Red Herring Prospectus irrespective of the size of the transaction	Nil		
(a) Weighted average cost of acquisition based on primary transactions	N.A.	[●]	[●]
(b) Weighted average cost of acquisition based on secondary transactions	N.A.	[●]	[●]

^ Details have been intentionally left blank as the Floor Price and Cap Price are not available as on the date of this Red Herring Prospectus
As certified by S K Patodia & Associates LLP pursuant to their certificate dated April 30, 2024.

(i) Justification for Basis of Offer Price

Detailed explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares along with our Company's KPIs and financial ratios for and Fiscal 2023, 2022 and 2021

[●]*
Note: This will be included on finalisation of Price Band

Explanation for Offer Price/Cap Price being [●] price of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares (set out in point H above) in view of the external factors which may have influenced the pricing of the Offer

[●]*
Note: This will be included on finalisation of Price Band

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 24, 151, 237 and 335, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

Statement of Possible Special Direct Tax Benefits

To
The Board of Directors
Aadhar Housing Finance Limited
2nd Floor, NO.3, JVT Towers
8th 'A' Main Road, S.R. Nagar
Bengaluru – 560 027
Karnataka

Proposed issue of equity shares (the "Offer") of Aadhar Housing Finance Limited (the "Company" / "Issuer")

1. This report is issued in accordance with the terms of our engagement letter dated 09 January 2024.

2. The accompanying Statement of Possible Special Direct Tax Benefits available to the Company and its shareholders (hereinafter referred to as "the Statement") under the Income Tax Act, 1961("the Act") (read with Income Tax Rules, circulars, notifications) [as amended by the Finance Act, 2023] (hereinafter referred to as the "Income Tax Regulations"), has been prepared by the management of the Company in connection with the proposed Offer, which we have initialled for identification purposes.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Red Herring Prospectus and Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on April 15, 2024 for the purpose set out in paragraph 10 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'ICDR Regulations'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special direct tax benefits available as on the date of signing of this report to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the ICDR Regulations in connection with the Offer.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.
Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. 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 fulfil. The benefits discussed in the accompanying statement are not exhaustive.

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

Further, we give no assurance that the revenue authorities/ courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. 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 the Company and any other person in respect of this Statement, except as per applicable law.

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special direct tax benefits available as on the date of signing of this report, to the Company and it's shareholders, in accordance with the Income Tax Regulations as at the date of our report.

Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

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

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

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Red Herring Prospectus and Prospectus, prepared in connection with the Offer to be filed by the Company with the Registrar of Companies, Karnataka at Bangalore and the Securities and Exchange Board of India and the concerned stock exchanges. It is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Huned Contractor
Partner
Membership No:041456
UDIN: 24041456BKFFFN1034
Place: Mumbai
Date: April 30, 2024

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D. Welling
Partner
Membership No:044576
UDIN: 24044576BKAUBP1341
Place: Mumbai
Date: April 30, 2024

Statement of Possible Special Direct Tax Benefits available to Aadhar Housing Finance Limited ("the Company") and its Shareholders

1. **Special tax benefits available to the housing finance company under the Income Tax Act, 1961 ("the Act") (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2023 (hereinafter referred to as the "Income Tax Regulations")**

A. Provision for bad and doubtful debts incurred by the Company

- The Company being a housing finance company registered with the Reserve Bank of India (RBI) is entitled for accelerated deduction under section 36(1)(viia) of the Act in respect of provision made for bad and doubtful debts in its books of accounts to the extent of five per cent of its total income (computed before making any deduction under section and Chapter VI-A of the Act), subject to certain conditions, while computing the total income under the head "Profits and gains of business or profession".

- Subsequently, as per the provisions of section 36(1)(vii) of the Act, where the Company has claimed deduction under section 36(1)(viia) of the Act, then the claim of deduction of actual bad debts incurred by the Company shall be reduced to the extent of deduction already claimed under section 36(1)(viia) of the Act.

- Further, as per section 41(4) of the Act, where any deduction has been claimed by the Company in respect of a bad debt under Section 36(1)(vii) of the Act, then any amount subsequently recovered on any such debt is greater than the difference between such debt and the amount so allowed as a deduction under section 36(1)(vii) of the Act, the excess shall be deemed to be business income of the year in which it is recovered.

B. Transfer to Special Reserve under section 36(1)(viii) of the Act

- The Company being a housing finance company providing long-term finance to certain eligible business specified under section 36(1)(viii) of the Act, is eligible to claim a deduction under section 36(1)(viii) of the Act, to the extent of 20 per cent of the profits derived from an eligible business or an amount transferred to the special reserve, whichever is lower, subject to certain other conditions as specified, while computing the total income under the head "Profits and gains of business or profession". However, where the aggregate of the amounts carried to such reserve account from time to time exceeds twice the amount of the paid-up share capital and general reserves, no further deduction shall be allowable in respect of such excess.

- Further, as per section 41(4A) of the Act, where any deduction has been allowed in respect of any special reserve created and maintained under Section 36(1)(viii) of the Act, then any amount subsequently withdrawn from such special reserve shall be deemed to be the income under the head 'Profits and gains of business or profession' of the year in which such amount is withdrawn.

C. Special provision in case of income of housing finance company under section 43D of the Act:

The Company being a housing finance company falling under the purview of the public company as defined under section 43D of the Act, is eligible to claim the benefit provided under this section whereby the income by way of interest in relation to such categories of bad or doubtful debts as may be prescribed in the guidelines issued by the National Housing Bank would be chargeable to tax in the year in which such interest income is credited to its profit and loss account or actually received by the Company, whichever is earlier.

D. Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the following deductions/exemptions:

i. Deduction under the provisions of section 10AA of the Act (Deduction for units in Special Economic Zone);
ii. Deduction under section 32(1)(iia) of the Act (Claim for additional depreciation);
iii. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);
iv. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research);
v. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project);
vi. Deduction under section 35CCD (Expenditure on skill development)
vii. Deduction under any provisions of Chapter VI-A of the Act other than the provisions of section 80JJAA or section 80M of the Act;

viii. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause i to vii above; and

ix. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i to vii above.

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off as clarified by the Central Board of Direct Taxes, through its circular no. 29/2019 dated 2 October 2019. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has opted to apply section 115BAA of the Act.

E. Deduction under Section 80M of the Act

As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company or a business trust shall be eligible for deduction while computing its total income for the relevant year. A deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date – i.e., on or before the date one month prior to the date for furnishing the return of income under section 139(1) of the Act.

F. Deductions from Gross Total Income - Section 80JJAA of the Act - Deduction in respect of employment of new Employee

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

2. Special tax benefits available to the Shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

Notes:

1. These special direct tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special direct tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the equity shares of the Company are proposed to be listed on a recognized stock exchange in India and the Company will be issuing equity shares.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been/ would be met with; and
   iii. the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

For and on behalf of Aadhar Housing Finance Limited

Rishi Anand
Managing Director and Chief Executive Officer
Place: Mumbai
Date: April 30, 2024

Statement of Possible Special Indirect Tax Benefits

To
The Board of Directors
Aadhar Housing Finance Limited
2nd Floor, NO.3, JVT Towers
8th 'A' Main Road, S.R. Nagar
Bengaluru – 560 027
Karnataka

Dear Sirs,

Proposed issue of equity shares (the "Offer") of Aadhar Housing Finance Limited (the "Company" / "Issuer")

1. This report is issued in accordance with the terms of our engagement letter dated 09 January 2024.

2. The accompanying Statement of Possible Special Indirect Tax Benefits available to the Company and its shareholders (hereinafter referred to as "the Statement") under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 including the rules, regulations, circulars and notifications issued in connection thereto (collectively referred to as the "Taxation Laws"), as presently in force [and applicable to the assessment year 2024-25 relevant to the financial year 2023-24], has been prepared by the management of the Company in connection with the proposed Offer, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the Red Herring Prospectus and Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on April 15, 2024 for the purpose set out in paragraph 10 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the 'ICDR Regulations'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special indirect tax benefits available as on the date of signing of this report to the Company and the shareholders of the Company, in accordance with the Taxation Laws as at the date of our report.

7. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the ICDR Regulations in connection with the Offer.

Inherent Limitations

8. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

   Several of the benefits mentioned in the accompanying Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. 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 fulfil. The benefits discussed in the accompanying statement are not exhaustive.

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

Further, we give no assurance that the revenue authorities/ courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes**.** 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 the Company and any other person in respect of this Statement, except as per applicable law.

Opinion

9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special indirect tax benefits available as on the date of signing of this report, to the Company and it's shareholders, in accordance with the Taxation Laws as at the date of our report.

Considering the matter referred to in paragraph 8 above, we are unable to express any opinion or provide any assurance as to whether:

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

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

Restriction on Use

10. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Red Herring Prospectus and Prospectus, prepared in connection with the Offer to be filed by the Company with the Registrar of Companies, Karnataka at Bangalore and Securities and Exchange Board of India and the concerned stock exchanges. It is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013

Huned Contractor
Partner
Membership No:41456
UDIN: 24041456BKFFFM9093
Place: Mumbai
Date: April 30, 2024

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm Registration No:105215W/W100057

Sandeep D. Welling
Partner
Membership No:044576
UDIN: 24044576BKAUBQ7890
Place: Mumbai
Date: April 30, 2024

ANNEXURE A

Statement of Tax Benefits

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO AADHAR HOUSING FINANCE LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

Outlined below are the special indirect tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 including the rules, regulations, circulars and notifications issued in connection thereto (collectively referred to as the "Taxation Laws").

I. Special indirect tax benefits available to the Company

There are no special indirect tax benefits available to the Company.

II. Special indirect tax benefits available to the Shareholders

There are no special indirect tax benefits available to shareholders of the Company.

Notes:

1. These special indirect tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special indirect tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications.

3. The Statement has been prepared on the basis that the equity shares of the Company are proposed to be listed on a recognized stock exchange in India and the Company will be issuing equity shares.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

    i. The Company or its shareholders will continue to obtain these benefits in future;
    ii. The conditions prescribed for availing the benefits have been/ would be met with; and
    iii. The revenue authorities / courts will concur with the view expressed herein.

5. The above views are basis the provisions of law, their interpretation and applicability as on date, which may be subject to change from time to time.

For and on behalf of **Aadhar Housing Finance Limited**

Rishi Anand
Managing Director and Chief Executive Officer
Place: Mumbai
Date: April 30, 2024

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a discussion of certain U.S. federal income tax consequences to U.S. Holders (defined below) of acquiring, owning and disposing of Equity Shares, but it does not purport to be a comprehensive discussion of all tax considerations that may be relevant to a particular person's decision to acquire Equity Shares. This discussion applies only to a U.S. Holder that acquires Equity Shares in the Offer and that owns Equity Shares as capital assets for U.S. federal income tax purposes. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), its legislative history, U.S. Treasury regulations promulgated under the Code, and administrative rulings and judicial interpretations thereof, in each case as in effect of the date of this Red Herring Prospectus. Except as expressly described herein, this discussion does not address the U.S. federal income tax consequences that may apply to U.S. Holders under the Convention Between the Government of the United States of America and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**Treaty**"). All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below. No ruling will be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to any statement or conclusion in this discussion, and there can be no assurance that the IRS will not challenge such statement or conclusion in the following discussion or, if challenged, that a court will uphold such statement or conclusion.

In addition, this discussion does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including any U.S. state, local or non-U.S. tax law, the Medicare tax on net investment income, and any estate or gift tax laws, and it does not describe differing tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain banks or financial institutions;
- regulated investment companies and real estate investment trusts;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- insurance companies;
- persons holding Equity Shares as part of a hedge, straddle, conversion transaction, constructive sale, wash sale, integrated transaction or similar transaction;
- persons liable for the alternative minimum tax;
- persons required for U.S. federal income tax purposes to accelerate the recognition of any item of gross income with respect to our Equity Shares as a result of such income being recognized on an applicable financial statement;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- entities or arrangements classified as partnerships or pass-through entities for U.S. federal income tax purposes or holders of equity interests therein;
- tax-exempt entities, "individual retirement accounts" or "Roth IRAs";
- certain U.S. expatriates;
- persons that own, directly, indirectly or constructively, ten percent (10%) or more of the total voting power or value of all of our outstanding stock; or
- persons owning Equity Shares in connection with a trade or business conducted outside the United States.

U.S. Holders should consult their tax advisors concerning the U.S. federal, state, local and non-U.S. tax consequences of acquiring, owning and disposing of Equity Shares in their particular circumstances.

For purposes of this discussion, a "U.S. Holder" is a person that, for U.S. federal income tax purposes, is a beneficial owner of Equity Shares and is:

- an individual citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust or otherwise

if the trust has a valid election in effect under current Treasury regulations to be treated as a United States person (as defined in the Code).

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes owns Equity Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the status and activities of the partnership. Partnerships owning Equity Shares and partners in such partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences of acquiring, owning and disposing of the Equity Shares.

THE DISCUSSION OF U.S. FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP, OR DISPOSITION OF EQUITY SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICABILITY AND EFFECT OF OTHER FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS, INCLUDING THE TREATY, AND POSSIBLE CHANGES IN TAX LAW.

Taxation of Distributions

Subject to the discussion below under "—*Passive Foreign Investment Company Rules*," the gross amount of any distribution of cash or property paid with respect to our Equity Shares (including any amounts withheld in respect of Indian taxes), will generally be included in a U.S. Holder's gross income as dividend income on the date actually or constructively received to the extent such distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of our current and accumulated earnings and profits will be treated first as a non-taxable return of capital, thereby reducing the U.S. Holder's adjusted tax basis in our Equity Shares (but not below zero), and thereafter as either long-term or short-term capital gain depending upon whether the U.S. Holder held our Equity Shares for more than one year as of the time such distribution is actually or constructively received. Because we do not prepare calculations of our earnings and profits using U.S. federal income tax principles, it is expected that distributions generally will be taxable to U.S. Holders as dividends, and taxable at ordinary income tax rates.

Dividends on our Equity Shares generally will not be eligible for the dividends-received deduction generally available to U.S. corporations with respect to dividends received from other U.S. corporations. With respect to certain non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to "qualified dividend income," provided that (i) our Company is eligible for the benefits of the Treaty, (ii) our Company is not a passive foreign investment company ("**PFIC**") (as discussed below under "—*Passive Foreign Investment Company Rules*") for its taxable year in which the dividend is paid and the preceding taxable year, and (iii) certain holding period and other requirements are met. For so long as our Company is treated as a PFIC with respect to a U.S. Holder (or were treated as a PFIC with respect to the U.S. Holder in the preceding taxable year), dividends paid to certain non-corporate U.S. Holders will not be eligible for taxation as "qualified dividend income." The amount of any dividend paid in Rupee will be the U.S. dollar value of the Rupee calculated by reference to the spot rate of exchange in effect on the date of actual or constructive receipt, regardless of whether the payment is in fact converted into U.S. dollars on such date. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss.

A U.S. Holder may be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or to a deduction, if elected, in computing its U.S. federal taxable income, for non-refundable non-U.S. income taxes withheld from dividends at a rate not exceeding the rate provided in the Treaty (if applicable). Recently issued U.S. Treasury regulations require non-U.S. income tax laws to meet certain requirements in order for taxes imposed under such laws to be eligible for credit. Our Company has not determined whether these requirements have been met with respect to any such non-U.S. withholding taxes. A recent notice from the IRS indicates, however, that the U.S. Department of the Treasury and the IRS are considering proposing amendments to such U.S. Treasury regulations and allows, subject to certain conditions, taxpayers to defer the application of many aspects of such U.S. Treasury regulations for taxable years beginning on or after December 28, 2021 and ending before the date that further IRS guidance is released. For purposes of the foreign tax credit limitation, dividends paid by our Company generally will constitute foreign source income in the "passive category income" basket. The rules relating to the foreign tax credit or deduction, if elected, are complex and U.S. Holders should consult their tax advisors concerning their availability in their particular circumstances.

Sale or Other Taxable Disposition of Equity Shares

Subject to the discussion below under "—*Passive Foreign Investment Company Rules*," a U.S. Holder generally will recognize gain or loss for U.S. federal income tax purposes on the sale, exchange or other taxable disposition of our Equity Shares in an amount equal to the difference between the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the Equity Shares disposed of, in each case as determined in U.S. dollars. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period for the Equity Shares exceeds one year. Long-term capital gains of certain non-corporate U.S. Holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

A U.S. Holder's initial tax basis in our Equity Shares will be the U.S. dollar value of the Rupee denominated purchase price determined on the date of purchase, and the amount realized on a sale, exchange or other taxable disposition of our Equity

Shares will be the U.S. dollar value of the payment received determined on the date of disposition. If our Equity Shares are treated as traded on an "established securities market," a cash method U.S. Holder or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of (i) the cost of such Equity Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase, and (ii) the amount realized by translating the amount received at the spot rate of exchange on the settlement date of the sale, exchange or other taxable disposition. Such an election by an accrual method U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accrual-method U.S. Holders that do not elect to be treated as cash-method taxpayers for this purpose may have a foreign currency gain or loss for U.S. federal income tax purposes, which in general will be treated as U.S.-source ordinary income or loss. U.S. Holders should consult their advisors as to the U.S. federal income tax consequences of the receipt of Rupee.

If any Indian tax is imposed on the sale or other disposition of our Equity Shares, a U.S. Holder's amount realized will include the gross amount of the proceeds of the sale or other disposition before deduction of the Indian tax. U.S. Holders should consult their own tax advisors concerning the creditability or deductibility of any Indian income tax imposed on the disposition of Equity Shares in their particular circumstances.

Passive Foreign Investment Company Rules

In general, a corporation organized outside the United States will be treated as a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes in any taxable year in which (a) 75% or more of its gross income is passive income (the "**income test**") or (b) 50% or more of its assets by value either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value of such assets (the "**asset test**"). For this purpose, "gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources, and "passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. For purposes of the PFIC income test and asset test described above, if our Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, our Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation.

The application of the PFIC rules to banks is unclear under present U.S. federal income tax law. Banks generally derive a substantial part of their income from assets that are interest bearing or that otherwise could be considered passive under the PFIC rules. The IRS recently issued proposed U.S. Treasury Regulations (the "**2021 Proposed Regulations**"), and previously issued a notice in 1989 (Notice 89-81, the "**Notice**") and proposed regulations in 1995 (as amended in 1998, the "**1998 Proposed Regulations**"), which exclude from passive income any income derived in the active conduct of a banking business by a qualifying foreign bank (the "**Active Banking Exception**"). The 2021 Proposed Regulations are proposed to be effective for taxable years of shareholders beginning on or after January 14, 2021, while the 1998 Proposed Regulations are proposed to be effective for taxable years beginning after December 31, 1994 and provide that taxpayers may apply the 1998 Proposed Regulations to a taxable year beginning after December 31, 1986, provided the 1998 Proposed Regulations are consistently applied to that taxable year and all subsequent taxable years.

The 2021 Proposed Regulations, the Notice, and the 1998 Proposed Regulations each have different requirements for qualifying as a foreign bank and for determining the banking income that may be excluded from passive income under the Active Banking Exception, but the preamble to the 2021 Proposed Regulations authorizes taxpayers to rely upon the Notice or the 1998 Proposed Regulations, as an alternative to the 2021 Proposed Regulations, to determine whether income of a foreign bank may be treated as non-passive. Under the Notice, the 1998 Proposed Regulations and the 2021 Proposed Regulations, a qualifying foreign bank must be licensed in the country of its incorporation to do business as a bank and must meet certain deposit-taking requirement. A qualifying active bank must also meet lending requirements under the Notice and the 1998 Proposed Regulations and, under the 2021 Proposed Regulations, must also carry out one or more specified active financing activities, which include making loans, with unrelated customers in the ordinary course of a banking business.

Under the Notice, a non-U.S. corporation satisfies the deposit-taking requirement if, among other things, the average for the taxable year of deposits accepted by the corporation from unrelated persons equals at least 50 percent of the average of total liabilities of the corporation for the year. Under the 1998 Proposed Regulations, a non-U.S. corporation satisfies the deposit-taking requirement if, among other things, the amount of deposits shown on the corporation's balance sheet is substantial. Whether the amount of deposits on a corporation's balance sheet is substantial depends on all the facts and circumstances, including whether the capital structure and funding of the bank as a whole are similar to that of comparable banking institutions engaged in the same types of activities and subject to regulation by the same banking authorities. Under the 2021 Proposed Regulations, a non-U.S. corporation satisfies the deposit-taking requirement if the corporation regularly receive bank deposits from unrelated customers in the ordinary course of its banking business. A non-U.S. corporation satisfies the lending requirement under the 1998 Proposed Regulations if the corporation regularly makes loans to customers in the ordinary course of its trade or business.

Our Company does not satisfy deposit-taking requirement under the Notice, the 1998 Proposed Regulations or the 2021 Proposed Regulations and, accordingly, is not eligible for the Active Banking Exception.

Based on the nature of our business, the composition of our income and assets, the value of our assets, our intended use of the proceeds from the Offer, and the expected price of our Equity Shares, we believe that we were a PFIC for the taxable year ended March 31, 2023 and expect to be a PFIC for our current taxable year or in the foreseeable future. However, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year and our Company's PFIC status for each taxable year will depend on facts, including the composition of Company's income and assets and the value of Company's assets (which may be determined in part by reference to the market value of the Equity Shares) at such time, there can be no assurance regarding our Company's PFIC status for the current or any future taxable year. Our U.S. counsel expresses no opinion with respect to our PFIC status for our past, current or future taxable years. If our Company is a PFIC for any taxable year during which a U.S. Holder holds Equity Shares and any of our Company's non-U.S. subsidiaries is also a PFIC, such U.S. Holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors about the application of the PFIC rules to any of our Company's subsidiaries.

Generally, if our Company is a PFIC for any taxable year during which a U.S. Holder holds Equity Shares and the U.S. Holder did not make either a timely mark-to-market election or a qualified electing fund ("QEF") election for our first taxable year as a PFIC in which the U.S. Holder held (or was deemed to hold) Equity Shares, such U.S. Holder generally will be subject to special rules with respect to (i) any gain recognized by the U.S. Holder on the sale or other disposition of Equity Shares (which may include gain realized by reason of transfers of Equity Shares that would otherwise qualify as nonrecognition transactions for U.S. federal income tax purposes) and (ii) any "excess distribution" made to the U.S. Holder (generally, any distributions to such U.S. Holder during a taxable year of the U.S. Holder that are greater than 125% of the average annual distributions received by such U.S. Holder in respect of the Equity Shares during the three preceding taxable years of such U.S. Holder or, if shorter, the portion of such U.S. Holder's holding period for the Equity Shares that preceded the taxable year of the distribution) (together, the "excess distribution rules").

Under these excess distribution rules:

- the U.S. Holder's gain or excess distribution will be allocated ratably over the U.S. Holder's holding period for the Equity Shares;

- the amount allocated to the U.S. Holder's taxable year in which the U.S. Holder recognized the gain or received the excess distribution, or to the period in the U.S. Holder's holding period before the first day of our first taxable year in which we are a PFIC, will be taxed as ordinary income;

- the amount allocated to other taxable years (or portions thereof) of the U.S. Holder and included in its holding period will be taxed at the highest tax rate in effect for that year and applicable to the U.S. Holder without regard to the U.S. Holder's other items of income and loss for such year; and

- an additional amount equal to the interest charge generally applicable to underpayments of tax will be imposed on the U.S. Holder with respect to the tax attributable to each such other taxable year of the U.S. Holder.

In general, if we are determined to be a PFIC, a U.S. Holder may be able to avoid the excess distribution rules described above in respect to our Equity Shares by making a timely and valid QEF election (if eligible to do so). However, we do not intend to provide a PFIC Annual Information Statement, which a U.S. Holder must receive in order to comply with the requirements of a QEF election.

Alternatively, if a U.S. Holder, at the close of its taxable year, owns shares in a PFIC that are treated as marketable stock, the U.S. Holder may make a mark-to-market election with respect to such shares for such taxable year. If the U.S. Holder makes a valid mark-to-market election for the first taxable year of the U.S. Holder in which the U.S. Holder holds (or is deemed to hold) Equity Shares in us and for which we are determined to be a PFIC, such U.S. Holder generally will not be subject to the excess distribution rules described above with respect to its Equity Shares. Instead, in general, the U.S. Holder will include as ordinary income in each taxable year the excess, if any, of the fair market value of its Equity Shares at the end of its taxable year over its adjusted basis in its Equity Shares. These amounts of ordinary income would not be eligible for the favorable tax rates applicable to qualified dividend income or long-term capital gains. The U.S. Holder also will recognize an ordinary loss in respect of the excess, if any, of its adjusted basis in its Equity Shares over the fair market value of its Equity Shares at the end of its taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's basis in its Equity Shares will be adjusted to reflect any such income or loss amounts, and any further gain recognized on a sale or other taxable disposition of its Equity Shares will be treated as ordinary income.

The mark-to-market election is available only for stock that is regularly traded on a "qualified exchange." A foreign exchange is a "qualified exchange" if it is regulated by a governmental authority in the jurisdiction in which the exchange is located and certain other requirements are met with respect to it. The IRS has not identified specific foreign exchanges that are "qualified" for this purpose. U.S. Holders should consult their tax advisers as to whether BSE or NSE is a "qualified exchange" for this purpose. There can be no assurance, therefore, that the mark-to-market election would be available to a U.S. Holder of Equity Shares.

If made, a mark-to-market election would be effective for the taxable year for which the election was made and for all subsequent taxable years unless the Equity Shares ceased to qualify as "marketable stock" for purposes of the PFIC rules or the IRS consented to the revocation of the election. U.S. Holders are urged to consult their own tax advisors regarding the availability and tax consequences of a mark-to-market election in respect to our Equity Shares under their particular circumstances.

If we are a PFIC and, at any time, have a foreign subsidiary that is classified as a PFIC, U.S. Holders generally would be deemed to own a portion of the shares of such lower-tier PFIC, and generally could incur liability for the deferred tax and interest charge described above if we receive a distribution from, or dispose of all or part of our interest in, the lower-tier PFIC or the U.S. Holders otherwise were deemed to have disposed of an interest in the lower-tier PFIC. A mark-to-market election generally would not be available with respect to such lower-tier PFIC. U.S. Holders are urged to consult their tax advisors regarding the tax issues raised by lower-tier PFICs.

The rules dealing with PFICs and with the QEF and mark-to-market elections are very complex and are affected by various factors in addition to those described above. Accordingly, U.S. Holders of our Equity Shares should consult their own tax advisors concerning the application of the PFIC rules to our Equity Shares under their particular circumstances.

If our Company is a PFIC for any year during which a U.S. Holder owned Equity Shares, our Company will generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such U.S. Holder held the Equity Shares, even if our Company ceases to meet the threshold requirements for PFIC status.

If a U.S. Holder owns our Equity Shares during any year in which we are a PFIC, the U.S. Holder generally will be required to file an IRS Form 8621 annually with respect to our Company, generally with the U.S. Holder's U.S. federal income tax return for that year unless specified exceptions apply.

U.S. Holders should consult their tax advisors regarding our PFIC status for any taxable year and the potential application of the PFIC rules.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds from a sale, exchange or other taxable disposition (including redemption) of our Equity Shares that are made within the United States, by a U.S. payor or through certain U.S.-related financial intermediaries to a U.S. Holder generally are subject to information reporting, unless the U.S. Holder is a corporation or other exempt recipient, and if required, demonstrates that fact. In addition, such payments may be subject to backup withholding, unless (1) the U.S. Holder is a corporation or other exempt recipient or (2) the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding in the manner required.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will generally be allowed as a credit against the U.S. Holder's U.S. federal income tax liability or may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

Foreign Financial Asset Reporting

Certain U.S. Holders who are individuals or certain specified entities that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 (and in some circumstances, a higher threshold) may be required to report information relating to the Equity Shares by attaching a complete IRS Form 8938, Statement of Specified Foreign Financial Assets (which requires U.S. Holders to report "foreign financial assets," which generally include financial accounts held at a non-U.S. financial institution, interests in non-U.S. entities, as well as stock and other securities issued by a non-U.S. person), to their tax return for each year in which they hold our Equity Shares, subject to certain exceptions (including an exception for our Equity Shares held in accounts maintained by U.S. financial institutions). U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their acquisition, ownership, and disposition of the Equity Shares.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

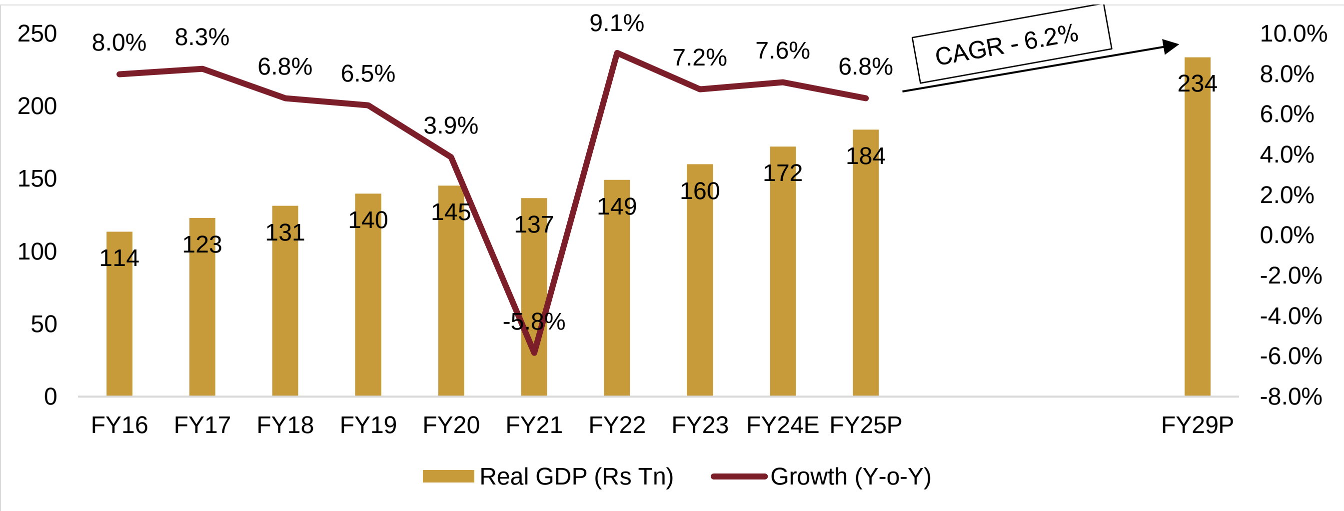
*The information contained in this section is derived from a report titled "Industry report on housing finance focused on low income housing segment" dated April 2024, which is exclusively prepared for the purposes of the Offer and issued by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited (together with CRISIL MI&A, "**CRISIL**") and is commissioned and paid for by our Company ("**CRISIL Report**"). No material information has been excluded from the CRISIL Report in preparing this section. CRISIL was appointed on November 20, 2023. We commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purposes of the Offer, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's products, that may be similar to the CRISIL Report. The CRISIL Report is available in full on the website of our Company at https://aadharhousing.com/investor-relations/offer-documents. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Forecasts, estimates, predictions, and other forward-looking statements contained in the CRISIL Report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in this Red Herring Prospectus and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" on page 20. In this section, please note that numbers or multiples denoting (a) a 'lakh' is equal to 100,000 and 10 lakhs is equal to 1 million or one million; and (b) a 'crore' is equal to 10,000,000 and 100 lakhs or one crore is equal to 10 million.*

1. Macroeconomic scenario

India witnesses stronger than expected growth in Fiscal 2024

The International Monetary Fund (IMF), in its January 2024 economic outlook update, revised its India economic growth estimate in real terms for Fiscal 2024 to 6.7% from previous 6.3% estimate in October 2023, citing momentum from resilient domestic demand. Further, the growth forecast for Fiscal 2025 also witnessed an increase at 6.5% from the previous 6.3% forecast in October 2023.

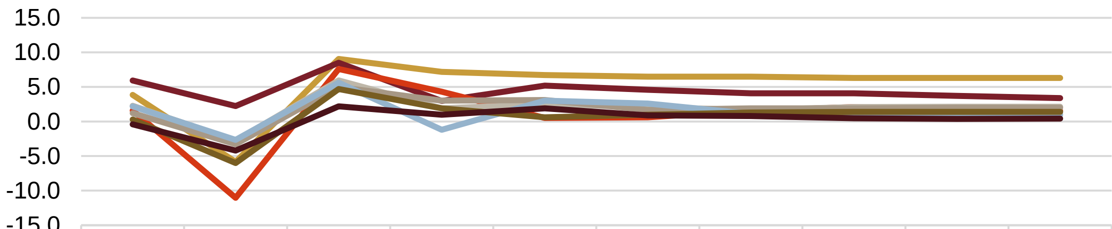
India's economy expected to grow at 6.8% in Fiscal 2025



*Note: E = Estimated, P = Projected; GDP growth is based on constant prices, GDP growth till Fiscal 2023 is actuals. GDP Estimates for Fiscals 2023- 2024 is based on National Statistics Office ("**NSO**") Estimates and 2024-2025 is projected based on CRISIL MI&A estimates; and that for Fiscals 2026-2029 based on IMF estimates; Source: NSO, CRISIL MI&A, IMF (World Economic Outlook – October 2023 update)*

Over the past three Fiscals, Indian economy has outperformed its global counterparts by witnessing a faster growth. Going forward as well, IMF projects that Indian economy will remain strong and would continue to be one of the fastest growing economies.

India is one of the fastest-growing major economies (GDP growth, % year-on-year)



	2019	2020	2021	2022E	2023E	2024P	2025P	2026P	2027P	2028P
India	3.9	-5.8	9.1	7.2	6.7	6.5	6.5	6.3	6.3	6.3
China	6.0	2.2	8.5	3.0	5.2	4.6	4.1	4.1	3.7	3.4
United Kingdom	1.6	-11.0	7.6	4.3	0.5	0.6	1.6	2.1	1.8	1.5
United States	2.3	-2.8	5.9	1.9	2.5	2.1	1.7	2.1	2.1	2.1
Brazil	1.2	-3.3	5.0	3.0	3.1	1.7	1.9	1.9	2.0	2.0
Russia	2.2	-2.7	5.6	-1.2	3.0	2.6	1.1	1.0	1.0	1.0
South Africa	0.3	-6.0	4.7	1.9	0.6	1.0	1.3	1.4	1.4	1.4
Japan	-0.4	-4.2	2.2	1.0	1.9	0.9	0.8	0.5	0.4	0.4

Note: All forecasts refer to IMF forecasts. GDP growth is based on constant prices, Data represented is for calendar years, E: Estimated, P: Projected; 2022E, 2023E, 2024P, 2025P are based on IMF World Economic Outlook, January 2024 Source: IMF (World Economic Outlook – October 2023, January 2024), CRISIL MI&A

1.1 Indian economy to be a major part of world trade

Along with being one of the fastest growing economies in the world, India ranked fifth in the world in terms of nominal GDP for 2023 according to IMF forecasts (World Economic Outlook -October Update). India overtook UK to become the fifth largest economy in the world in 2022. In terms of purchasing power parity ("**PPP**"), India is the third largest economy in the world, only after China and the United States.

1.2 Repo rate remains unchanged, with phase of aggressive rate hikes behind us

In Fiscal 2023, the Reserve Bank of India ("**RBI**") raised the repo rate by 90 basis points ("**bps**") in the first quarter, and since then, it has continued to increase every quarter. By the third quarter of Fiscal 2024, the repo rate reached 6.50%, which signifies a substantial increase of 250 bps from the fourth quarter of Fiscal 2022. The initial rate hike occurred in May 2022, when the central bank's rate-setting panel unanimously raised the benchmark lending rate by 90 bps. However, the repo rate remains unchanged in the fourth quarter of Fiscal 2024 at 6.5% since the fourth quarter of Fiscal 2023.

1.3 Consumer Price Index ("CPI") inflation to average at 4.5% in Fiscal 2025

CRISIL MI&A expects CPI inflation to continue to soften next Fiscal to 4.5% from an estimated 5.5% this Fiscal, supported by the assumption of a normal monsoon, softer domestic demand, and benign global oil prices. The distribution of the southwest monsoon and rabi output are expected to be key monitorable factors for food inflation in the first half of Fiscal 2025.

Macroeconomic outlook for Fiscal 2025

Macro variables	FY24E	FY25P	Rationale for outlook
GDP (year-on-year) ("**y-o-y**")	7.6%	6.8%	High interest rates and lower fiscal impulse (from reduction in fiscal deficit to 5.1% of GDP) are expected to temper domestic demand. Net indirect tax impact on GDP is expected to normalize next fiscal. Uneven growth in key trade partners will likely restrict healthy export recovery. But budgetary support to capital expenditure and rural incomes are expected to support growth.
CPI inflation (y-o-y)	5.5%	4.5%	Soft commodity prices and healthier farm output should help moderate inflation. A non-inflationary budget that focuses on asset creation rather than direct cash support bodes well for core inflation and hence monetary policy.
10-year Government security yield (Fiscal end)	7.0%	6.8%	Lower gross market borrowings will likely reduce the pressure on yields. Lower inflation and expected rate cuts by the Monetary Policy Committee are expected to create downside pressure on yields. India's inclusion in the JP Morgan Emerging Market Bond index is favourable for capital flows into government debt.
Current account deficit ("**CAD**")/GDP (%)	(1.0)%	(1.0)%	Softer crude oil prices and moderation in domestic growth are expected to keep the trade deficit in check despite tepid exports of goods. Alongside, robust services trade surplus and healthy remittances are expected to keep the current account deficit in check.
₹/$ (March average)	83.0	83.5	Narrower CAD and healthy foreign portfolio flows into debt amid a favourable domestic macro environment will likely support the rupee.

Note: E – Estimated; P – Projected
Source: RBI, NSO, CRISIL MI&A

2. Key growth drivers

2.1.1 India has the world's largest population

As per Census 2011, India's population was approximately 1.25 billion, and comprised nearly 245 million households, is expected by CRISIL MI&A to increase to 1.52 billion by 2031, and number of households are expected to reach approximately 376 million over the same period.

2.1.2 Favorable demographics

As of calendar year 2022, India has one of the largest young populations in the world, with a median age of 28 years. CRISIL MI&A estimated that approximately 90% of Indians were still below the age of 60 in calendar year 2021 and that 63% of them were between 15 and 59 years. In comparison, in calendar year 2020, the United States (US), China and Brazil had 77%, 83% and 86%, respectively, of their population below the age of 60.

2.1.3 Urbanization

Urbanization is one of India's most important economic growth drivers. It is expected to drive substantial investments in infrastructure development. India's urban population has been rising consistently over the decades *(Source: World Urbanization Prospects)*. As per the 2018 revision of World Urbanization Prospects, it was estimated at 34.9% for India. According to the World Urbanization Prospects, the percentage of population residing in urban areas in India is expected to increase to 37.4% by 2025.

2.1.4 Increasing per capita GDP to support economic growth

In Fiscal 2024, India's per capita net national income expanded by 6.8% reflecting robust growth of Indian economy and government's continued efforts to make India an upper middle-income economy.

2.1.5 Rising Middle India population to help sustain growth for the country

Proportion of Middle India (defined as households with annual income of between ₹ 0.2 to 1 million) has been on a rise over the last decade and is expected to grow further with continuous increase in the GDP and household incomes. CRISIL MI&A estimates that there were 41 million middle income households in India as of Fiscal 2012, and by Fiscal 2030, they are projected to increase to 181 million households. A large number of these households, which have entered the Middle-Income bracket in the last few years, are likely to be from semi-urban and rural areas.

CRISIL MI&A believes that the improvement in the literacy levels, increasing access to information and awareness, increases in the availability of necessities, and the improvement in road infrastructure has led to an increase in aspirations of Middle India, which is likely to translate into increased opportunities for financial service providers.

2.1.6 Financial Inclusion on a fast path in India

India's financial inclusion has improved significantly over calendar years 2014 to 2021 as adult population with bank accounts increased from 53% to 78% (*Source: Global Findex Database*) due to the Indian government's concentrated efforts to promote financial inclusion and the proliferation of supporting institutions.

2.1.7 Financial penetration to rise with increase in awareness of financial products

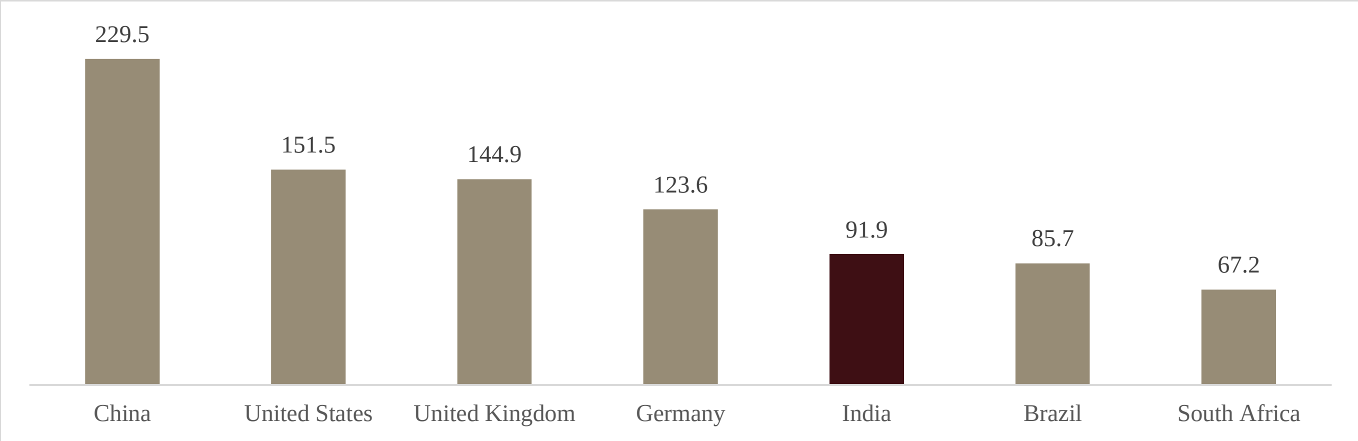
With increasing financial literacy, mobile penetration, awareness and the Prime Minister's Jan Dhan Yojana bank accounts (scheme aimed at bringing the unbanked under the formal banking system), there has been a rise in the participation of individuals from non-metro cities in banking. With more people attached to the formal banking sector, the demand for financial products in smaller cities has seen a major uptick in recent years. Going forward, CRISIL MI&A expects financial penetration to increase on account of increasing financial literacy.

2.2 Credit penetration in India

2.2.1 Credit penetration is lower in India compared to other countries

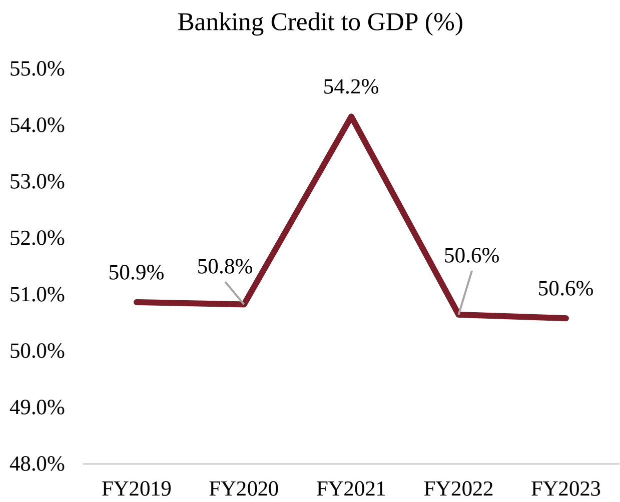
In terms of the credit to GDP ratio, India has a low credit penetration compared with other developing countries, such as China indicating the potential that can be tapped. Similarly, in terms of credit to households as a proportion of GDP as well, India lags other markets.

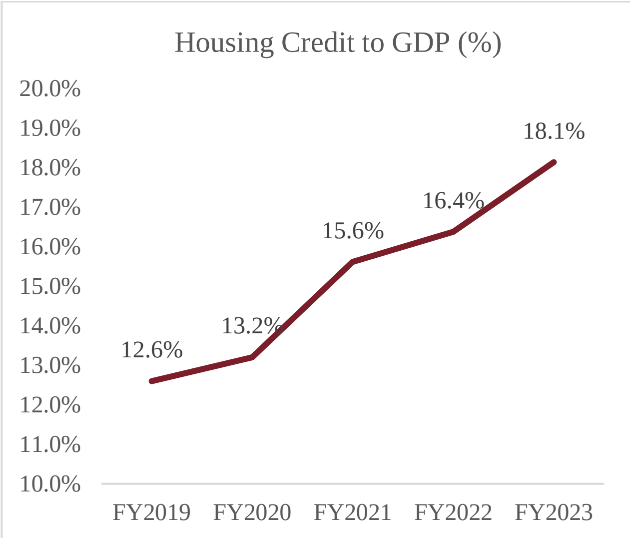
Credit to GDP ratio (%) (Q3 CY2023)



Source: Bank of International Settlements, CRISIL MI&A

Overall banking credit to GDP ratio has remained stable; Housing credit to GDP has increased over the years





Note: Outstanding credit of all scheduled banks taken for banking credit

Source: RBI, NSO, CRISIL MI&A

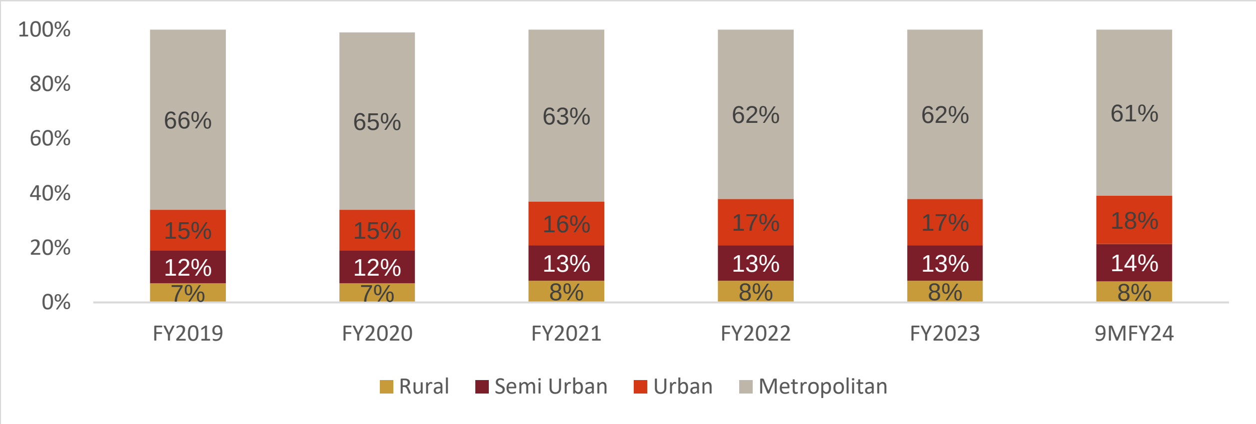
Source: CIBIL, CRISIL MI&A

2.3 Rural India – Under penetration and untapped market presents a huge opportunity for growth for financiers

Credit to metropolitan areas has decreased over the past few years with its share decreasing from 66% as of March 31, 2019, to 61% as of December 31, 2023. Between the same period, credit share has witnessed a marginal rise in rural and urban areas. For semi-urban areas, credit share has gone up from 12% as of March 31, 2019, to 14% as of December 31, 2023.

As of March 31, 2023, rural areas, which accounted for 47% of GDP, received just 8% of the overall banking credit, which shows the vast market opportunity for banks and NBFCs to lend in these areas. With increasing focus of government towards financial inclusion, rising financial awareness, increasing smartphone and internet penetration, CRISIL MI&A expects delivery of credit services in rural area to increase. Further, usage of alternative data to underwrite customers is expected to also help the financiers to assess customers and cater to the informal sections of the society in these regions.

Share of rural and semi-urban credit has increased marginally between March 2019 and March 2023

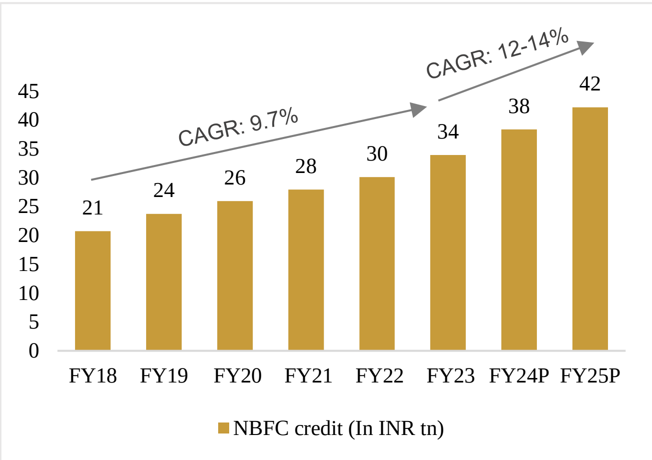


Note: As at the end of each Fiscal and as of December 2023 for 9MFY2024; Source: RBI, MOSPI, CRISIL MI&A

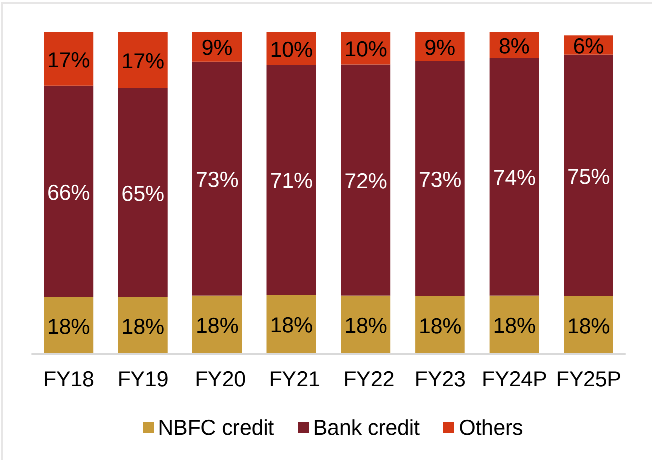
2.4 NBFC credit to grow faster than systemic credit between Fiscals 2023 and 2025

CRISIL MI&A projects NBFC credit to grow at 12%-14% between Fiscal 2023 and Fiscal 2025. The credit growth is expected to be driven by the retail vertical, including housing, auto, and microfinance segments. Rapid revival in the economy is expected to drive consumer demand in Fiscal 2024, leading to healthy growth of NBFCs. Moreover, organic consolidation is underway with larger NBFCs gaining share. Further, growth of the non-banking industry is expected to be driven mainly by NBFCs with strong parentage who have funding advantage over other NBFCs.

NBFC credit to grow at CAGR 16-18% between Fiscals 2023 and 2025



Share of NBFC Credit in Systemic Credit remained at 18% in Fiscal 2023



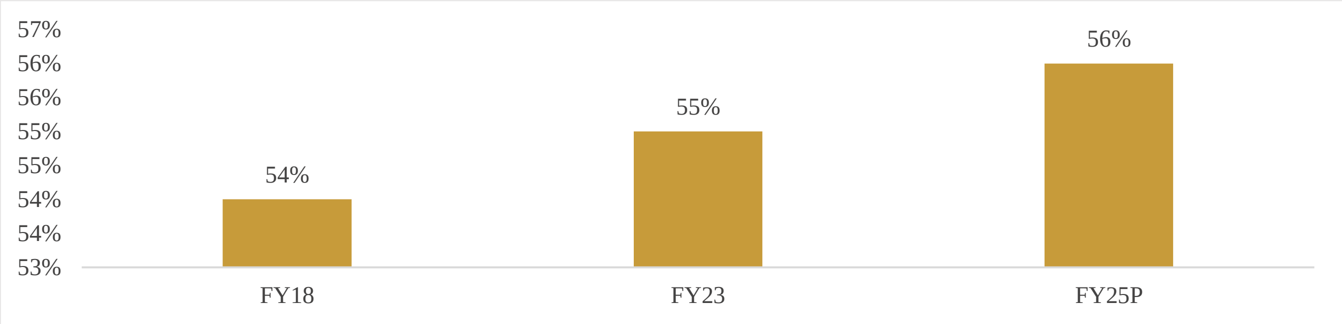
Note: P = Projected; Note: Others include Commercial papers, External borrowings, corporate bonds excluding those issued by Banks and NBFCs
Source: RBI, Company reports, CRISIL MI&A

CRISIL MI&A believes that NBFCs will remain a force to reckon within the Indian credit landscape, given their inherent strength of providing last-mile funding and catering to customer segments that are not catered by Banks.

2.5 Retail segment to support NBFCs overall credit growth

After a moderation in growth post pandemic, NBFCs are back on track with an estimated credit growth of 12-13% during Fiscal 2023. Going ahead CRISIL MI&A expects the growth trend to continue with credit growth at 13-14% during Fiscal 2024. The industry is expected to continue to witness the emergence of newer NBFCs catering to specific customer segments. The COVID-19 pandemic and consequent acceleration in both adoption of technology and change in consumer habits as well as increasing availability of data for credit decision-making has made it possible to build an NBFC lending business without investing large sums to have brick-and-mortar presence on the ground. Overall, between Fiscal 2023 to Fiscal 2025, CRISIL MI&A forecasts NBFC credit to grow at a CAGR of 12%-14%. Further, retail credit given out by NBFCs is forecast to grow at a pace of 13%-15% CAGR over the same time.

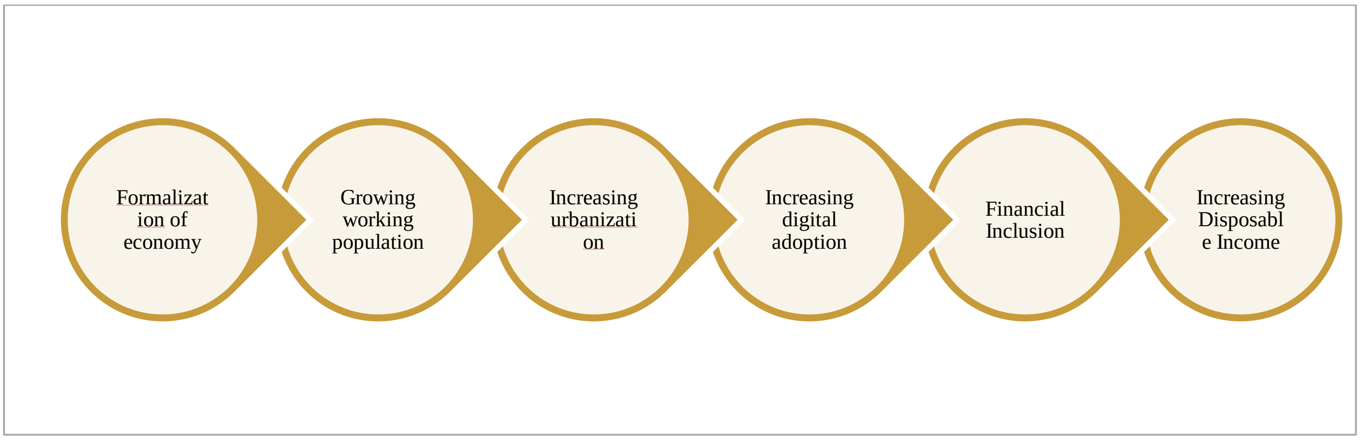
Share of retail credit in total NBFC credit to continue to grow



Note: P = Projected; Retail credit above includes housing finance, auto finance, microfinance, gold loans, consumer durable finance, MSME loans, education loans & others
Source: Company reports, CRISIL MI&A

2.5.1 Retail credit market continue to remain profitable in the coming years

Factors that will support retail credit growth

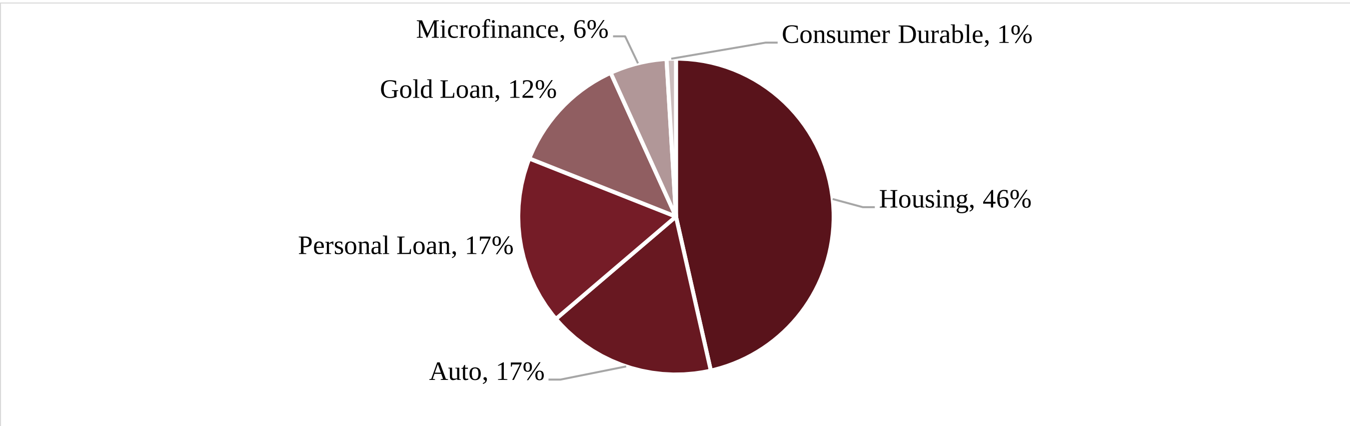


Source: CRISIL MI&A

2.5.2 Housing loans accounts for 46% of overall retail loans as of March 31, 2023

As of March 31, 2023, housing finance accounts for almost half of overall retail loans in India followed by auto loans (17%), personal loans (17%) and gold loan (12%).

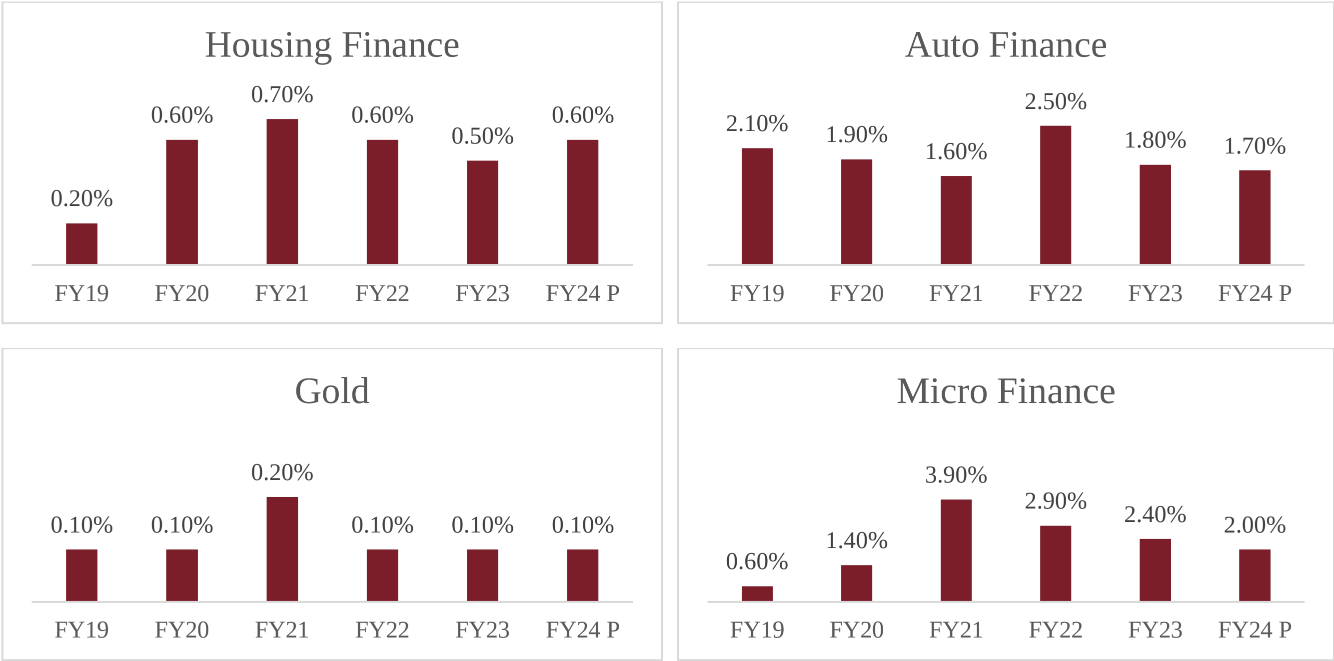
Retail credit mix as of March 31, 2023



Source: CRISIL MI&A

2.5.3 Housing and Autos to lead NBFC credit growth

Housing finance had second lowest credit cost among retail loans, which is expected to continue



Note: P = Projected, Source: CRISIL MI&A

3. Housing scenario in India

3.1 Indian household investment in real estate

As per household finance committee report issued by the RBI in 2017, the average Indian household holds 77% of its total asset in real estate which includes residential buildings, buildings used for farm and non-farm activities, constructions such as recreational facilities, and rural and urban land.

3.2 Housing shortage in India

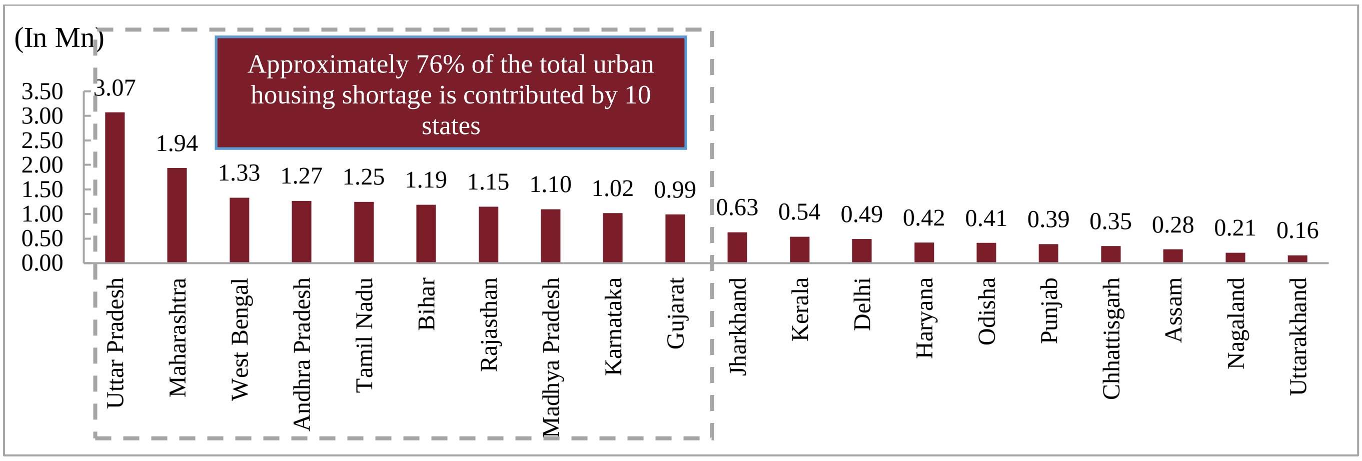
Urban Housing shortage split among Socio-Economic Group (2012) – million

Category	Urban Housing Shortage	(in %)
Economic weaker section (“**EWS**”)	10.55	56.2%
Lower income group (“**LIG**”)	7.41	39.5%
Medium income group (“**MIG**”) and high income group (“**HIG**”)	0.82	4.3%
Total	**18.78**	**100%**

Note: 2012 Estimates; Source: Ministry of Rural development, Ministry of Housing and Urban Poverty Alleviation National Buildings Organisation; Planning Commission, CRISIL MI&A

3.2.1 76% of total urban housing shortage is contributed by top 10 states (2012)

State-wise housing shortage



Source: Report of the Technical Urban Group on Urban Housing Shortage (TG-12), CRISIL MI&A

Amongst the top states with high shortage of homes, some states such as Uttar Pradesh, Bihar, West Bengal, Rajasthan and Madhya Pradesh have a lower per capita income, as compared to the national average. This shows that there is significant headroom for growth in terms of increasing per capita income and reducing the housing shortage in India.

3.2.2 Estimated shortage and requirement of approximately 100 million houses in 2022

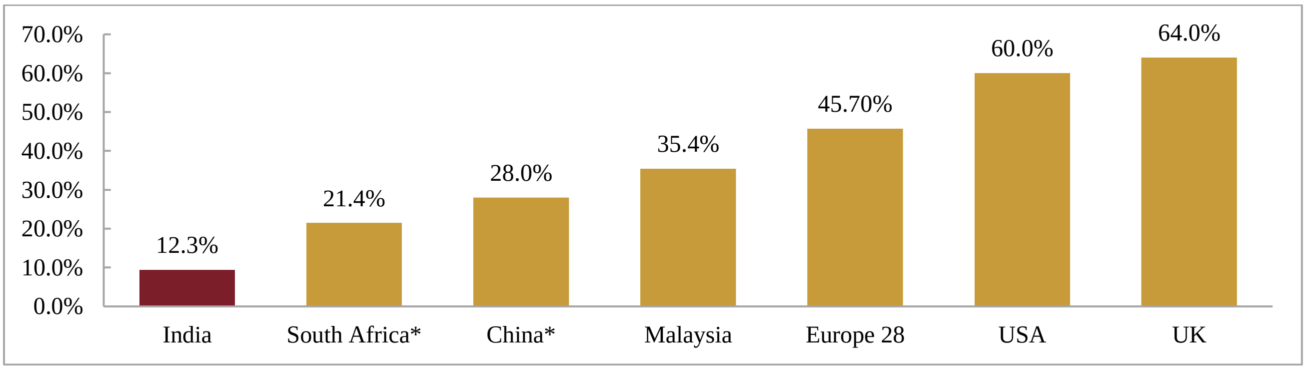
The housing shortage in India has only increased since the estimates at the time of the twelfth five-year plan. As per the report of RBI-appointed Committee on the Development of housing finance securitization market (September 2019), the housing shortage in India was estimated to increase to 100 million units by 2022. Majority of the household shortage is for LIG and EWS with a small proportion of shortage (5-7%) of the shortage coming from MIG or above. Total incremental housing loans demand, if this entire shortage is to be addressed, is estimated to be in the region of ₹ 50 trillion to ₹ 60 trillion, as per the Committee report. In comparison, the overall housing loans outstanding (excluding Pradhan Mantri Awas Yojana ("**PMAY**") loans) as of March 2023 was around ₹ 31.1 trillion. This indicates the immense latent potential of the market, in case, a concrete action is taken for addressing the shortage of houses in India.

3.3 Opportunity for financiers well established in Affordable Housing segment

As per the report of RBI-appointed Committee on the development of housing finance securitization market (September 2019), the total value of units to fulfil the entire shortage is estimated at ₹ 149 trillion, out of which ₹ 58 trillion is estimated to be the aggregate loan demand for housing.

India's mortgage penetration is lower than other economies

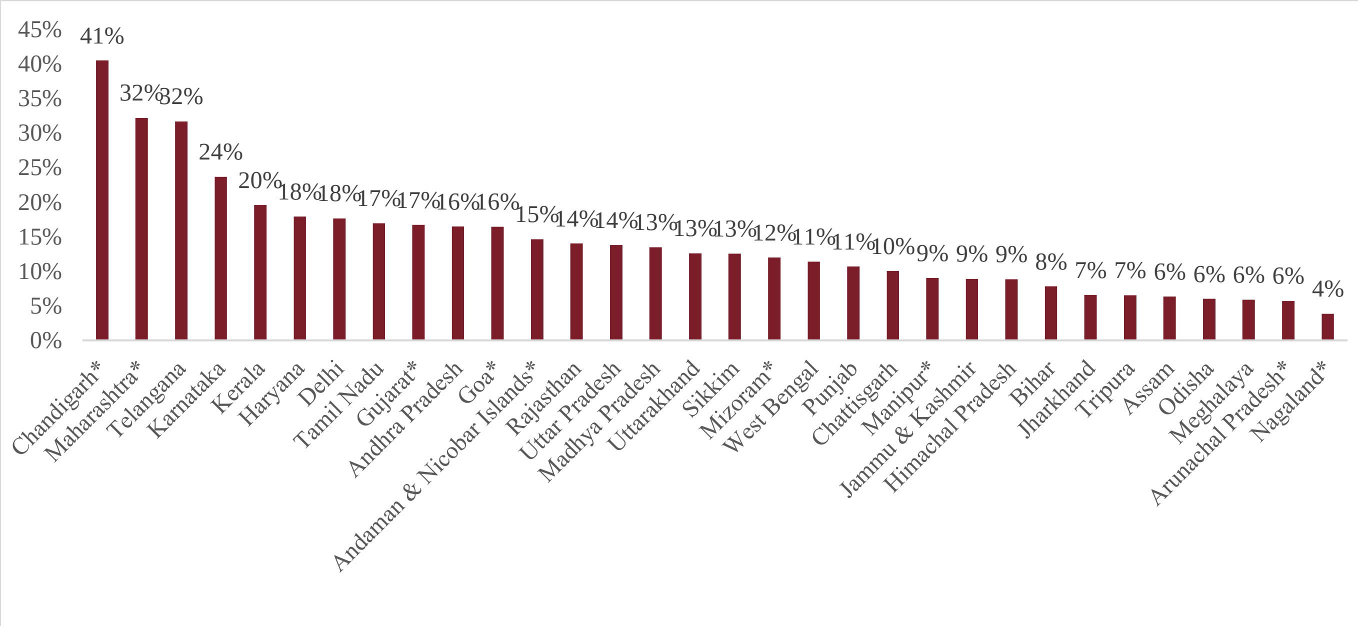
Mortgage-to-GDP ratio in India (FY23) compared with other countries (CY18)



*Note: (*) – As of CY17, Indian mortgage to GDP is for Fiscal 2023 – 12.3%; Europe 28 includes the 28 European Union Member states as of December 2018; Source: HOFINET, European Mortgage Federation, National Housing Bank ("**NHB**"), CRISIL MI&A*

3.3.1 State-wise mortgage penetration in India

The mortgage-to-GDP ratio varies widely based on home loan market size, ranging between approximately 4% and approximately 42% in Fiscal 2023. Chandigarh has the highest housing loan penetration with approximately 41% of GDP followed by Maharashtra and Telangana at second and third position, respectively, in Fiscal 2023.

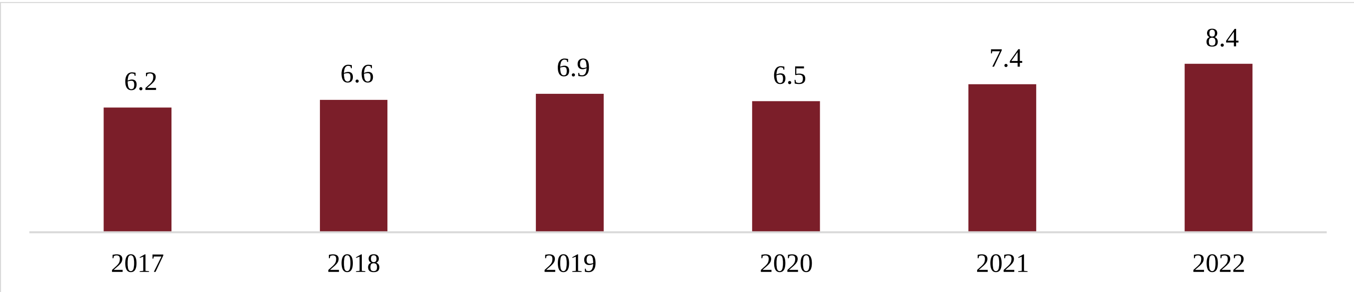


*Note: Housing loan penetration calculated as Housing loan outstanding over state GSDP (at constant prices) as of Fiscal 2023; GDP taken as GSDP at constant prices, Base Year: 2011-12., * GDSP taken for Fiscal 2022, Source: CIBIL, RBI, MOSPI, CRISIL MI&A*

3.3.2 Rise in per capita income to drive the growth of mortgage penetration in India

Between 2017 and 2022, the per capital income of India has increased to USD 8,379, which is also one of the major reasons for rise in mortgage penetration in India.

India GDP per capita in PPP (in 000 USD) has increased to 8.4 in 2022 from 6.2 in 2017



Source: World Bank, CRISIL MI&A

3.3.3 Mortgage-to-GDP ratio in India to grow to 14-15% by Fiscal 2025

In Fiscal 2023, India's mortgage-to-GDP ratio stood at 12.3%. Though low compared with other developing countries, it has significantly improved from 6.5% in Fiscal 2009. The factors that contributed to the improvement are rising incomes, improving affordability, growing urbanization and nuclearization of families, emergence of tier-II and tier-III cities, ease of financing, tax incentives, and widening reach of financiers. Given the expected steady growth from Fiscal 2023, CRISIL MI&A projects the ratio at 14-15% by Fiscal 2025.

3.3.4 Factors affecting mortgage-to-GDP ratio in India

Mortgage penetration in India is far lower than other emerging economies owing to lower per capita income and higher proportion of informal employment in India. However, CRISIL MI&A believes rising urbanization, growing disposable income, favorable demographics and government measures will lead to higher mortgage penetration going forward.

1- Higher affordability led by increase in disposable income

2- Rapid growth in urbanisation

3- Higher proportion of young population

4- Government measures to push housing sector such as "Housing for all", impetus packages to tackle the pandemic, NHB Refinance scheme, SARFAESI Act, etc.

1- Low per capita GDP

2- Relatively high house prices

3- High percentage of population in informal employement

4- Information asymmetry in smaller cities

5- Insufficient long-term capital

6- Inadequate legal infrastructure

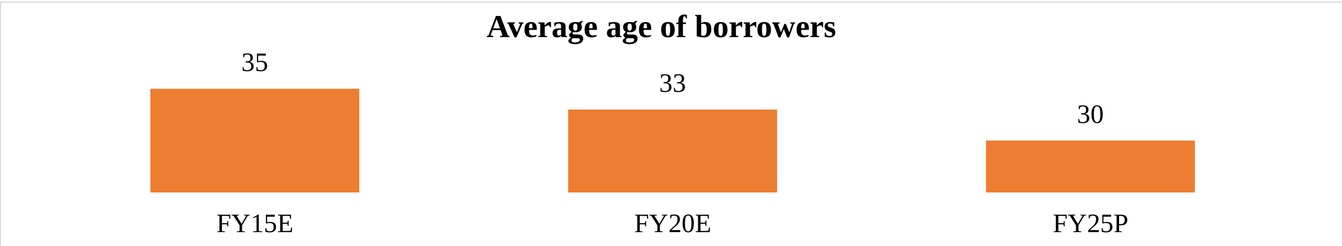
Source: CRISIL MI&A

3.4 Favorable Demographic

3.4.1 Shift towards younger age profile for home loan borrowings

India's demographic profile is expected to favor the housing industry, leading to growth in the housing finance market.

Declining age of borrowers



Note: E – Estimated, P – Projected, Source: CRISIL MI&A

3.4.2 Continuous increase in share of urban population to boost demand for housing in urban areas

The urban population was 377 million in 2011, marking a CAGR (2001-2011) of 2.8%; rural population was 833 million, up at a CAGR (2001-2011) of 1.15%. Urbanization levels rose from 28% in 2001 to about 31% in 2011. It was expected to have reached about 35% in 2021. This percentage is expected to increase further in the years to come, thereby translating into higher demand for housing and related amenities in the urban areas.

3.5 Rise in number of nuclear families leads to formation of new houses

Nuclearization refers to formation of multiple single families out of one large joint family. Each family lives in a separate house, while the ancestral house may be retained or partitioned to buy new houses. Nuclearization in urban areas is primarily driven by changing lifestyle of people, individualism, changing social/cultural attitudes, and increased mobility of labor in search of better employment opportunities. These trends are expected to continue in future.

3.6 Rising demand for independent houses

Indians traditionally prefer to live in independent houses. However, the increase in population density, especially in urban areas, has increased the demand for flats. As per Census Data 2011 it has been very clear that Indians do prefer independent housing. This is expected to continue to drive the demand for such homes, which are often self-constructed, especially in the smaller cities.

3.7 Higher affordability

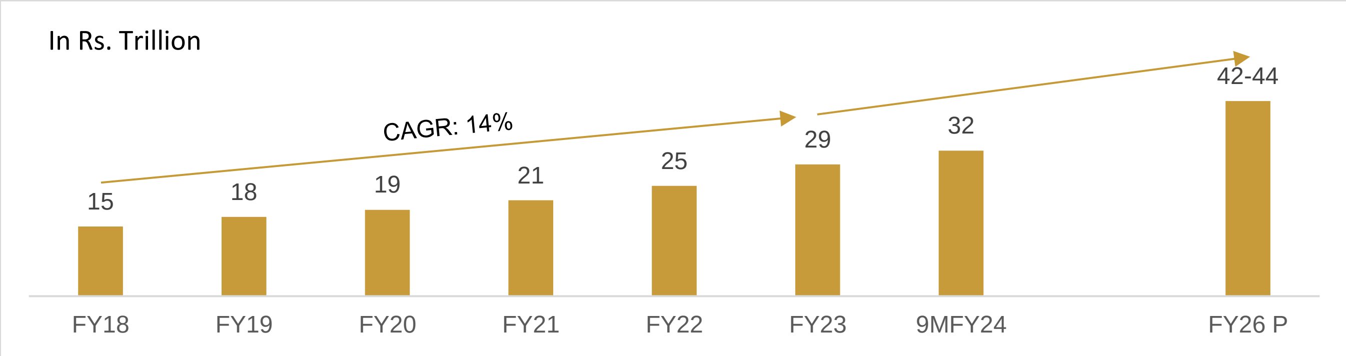
CRISIL forecasts that the per capita income will gradually improve with a pick-up in GDP growth and sustained low inflation. This is expected to be an enabler for domestic consumption leading to rise in demand for housing. Further, increase in household savings over the last decade coupled with availability of underwrite and provide credit to the vulnerable or informal segment owing to advancement in technology has also led to higher demand for housing.

4. Indian housing finance market

4.1 Housing Finance to log a CAGR of 13-15% in the long term between fiscal 2023 and 2026

The Indian housing finance market clocked a healthy approximately 14% CAGR (growth in loan outstanding - total housing loans on the books of all financiers put together) over Fiscals 2018-2023 on account of a rise in disposable income, healthy demand emanating from smaller cities markets, attractive interest rates and government impetus on housing.

Growth in housing loans outstanding



Note: P- Projected
Source: CIBIL, CRISIL MI&A

4.2 Majority of the market dominated by lower ticket size loans in volume terms

The housing loan market grew at approximately 14% CAGR between Fiscals 2018 and 2023, spurred by growth in the higher ticket size segment, i.e., over ₹ 1.5 million. The share of the higher ticket segment increased from 76% as of March 2018 to 85% as of March 2023 and 86% as of December 2023 in terms of value. Due to the impact of economic slowdown in Fiscal 2019 and subsequently COVID-19 pandemic in Fiscal 2020 and Fiscal 2021, which has a greater impact on the lower income segment in relative terms, Additionally, the cost of construction increased compared to pre COVID-19 pandemic levels which led to an increase of requirement in availing a loan causing a shift of border line customers in slab ₹ 0.75-1.5 million to ₹ 1.5-2.5 million slab, as a result the share of higher ticket size segment increased over the years, both in terms of value and volume. However, majority of the housing loan share in terms of volumes is still dominated by the lower ticket size segment (less than ₹ 1.5 million), which accounted for 52% of housing loans outstanding as of March 2023.

	Ticket-size wise loan outstanding (₹ trillion)							Ticket-size wise loan outstanding mix (Value terms)						
	FY18	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**9MFY24**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**9MFY24**
₹ 0-0.75 million	1.1	1.1	1.1	1.2	1.1	1.1	1.2	7%	6%	6%	5%	5%	4%	4%
₹ 0.75-1.5 million	2.6	2.7	2.8	2.9	3.0	3.2	3.3	17%	15%	15%	14%	12%	11%	10%
₹ 1.5-2.5 million	3.5	3.9	4.2	4.5	5.0	5.6	5.9	23%	22%	22%	21%	20%	19%	18%
₹ 2.5-5.0 million	4.3	5.1	5.8	6.6	7.8	9.4	10.5	28%	29%	30%	31%	32%	32%	32%
₹ 5 million +	3.9	4.7	5.3	6.2	7.7	9.9	11.5	25%	27%	28%	29%	31%	34%	36%
Total	**15.5**	**17.6**	**19.2**	**21.3**	**24.5**	**29.3**	**32.3**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: CIBIL, CRISIL MI&A

	Ticket-size wise number of loans outstanding (₹ million)							Ticket-size wise loan outstanding mix (Volume terms)						
	FY18	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**9MFY24**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**9MFY24**
₹ 0-0.75 million	4.9	5.1	5.3	5.3	5.3	5.5	5.4	39%	38%	37%	35%	32%	30%	28%
₹ 0.75-1.5 million	3.1	3.3	3.4	3.6	3.7	4.0	4.1	25%	24%	24%	23%	22%	22%	21%
₹ 1.5-2.5 million	2.3	2.6	2.8	3.1	3.4	3.8	4.0	19%	19%	20%	20%	21%	21%	21%
₹ 2.5-5.0 million	1.6	1.9	2.2	2.5	3.0	3.5	3.9	13%	14%	15%	16%	18%	19%	20%
₹ 5 million +	0.5	0.6	0.7	0.9	1.1	1.4	1.7	4%	5%	5%	6%	7%	8%	9%
Total	**12.5**	**13.6**	**14.5**	**15.3**	**16.5**	**18.2**	**19.1**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: CIBIL, CRISIL MI&A

Banks mostly provide loans to customers whose income sources, banking behavior and credit history can be easily assessed. On the other hand, several housing finance companies ("**HFCs**") cater to customers whose formal income proofs may not be strong, and therefore, an HFC's understanding of underwriting for this customer segment as well as micro market related dynamics are critical for success. Besides, banks also have a lower cost of funds than HFCs, allowing them to offer loans at more attractive rates to customers with good credit scores. Both banks and HFCs are exposed to general risks in the housing finance market such as delay in project approvals and construction, title and valuation related risks.

In lower ticket size loan segments of up to ₹ 0.75 million and ₹ 0.75-1.5 million, public sector banks ("**PSBs**") have seen strong competition from the HFCs. In terms of disbursement the market share of HFCs increased in the nine months ended December 31, 2023 from Fiscal 2023 in ticket size of up to ₹ 0.75 million and ₹ 0.75-1.5 million by 3% each, whereas market share of PSBs reduced by 4% in ticket size ₹ 0.75-1.5 million during the same period.

9MFY24	**Player group-wise ticket size-wise disbursement (₹ billion)**					**Player group-wise ticket size-wise disbursement mix**				
	₹ 0-0.75 million	**₹ 0.75-1.5 million**	**₹ 1.5-2.5 million**	**₹ 2.5-5.0 million**	**₹ 5 million +**	**₹ 0-0.75 million**	**₹ 0.75-1.5 million**	**₹ 1.5-2.5 million**	**₹ 2.5-5.0 million**	**₹ 5 million +**
Private Banks	25	108	279	725	1,662	13%	21%	29%	34%	46%
PSBs	64	131	332	835	1,345	33%	25%	34%	40%	37%
HFCs	74	192	256	435	419	38%	38%	27%	21%	12%
Others	22	46	62	86	142	11%	9%	6%	4%	4%
Non-banking financing companies ("NBFCs")	10	36	36	29	47	5%	7%	4%	1%	1%
Total	196	513	966	2109	3616	100%	100%	100%	100%	100%

*Note: NBFCs include Fintech NBFCs, Others includes multi-national corporations ("**MNCs**") and small finance banks*
The above classification of player groups is done based on data reported by respective entities to CIBIL.
Source: CIBIL, CRISIL MI&A

FY23	**Player group-wise ticket size-wise disbursement (₹ billion)**					**Player group-wise ticket size-wise disbursement mix**				
	₹ 0-0.75 million	**₹ 0.75-1.5 million**	**₹ 1.5-2.5 million**	**₹ 2.5-5.0 million**	**₹ 5 million +**	**₹ 0-0.75 million**	**₹ 0.75-1.5 million**	**₹ 1.5-2.5 million**	**₹ 2.5-5.0 million**	**₹ 5 million +**
Private Banks	38	157	405	1,016	2,045	14%	22%	30%	36%	48%
PSBs	89	201	488	1,123	1,510	33%	29%	36%	40%	35%
HFCs	96	247	336	566	490	35%	35%	25%	20%	11%
Others	37	64	85	105	188	14%	9%	6%	4%	4%
NBFCs	11	35	34	30	59	4%	5%	3%	1%	1%
Total	271	703	1348	2840	4293	100%	100%	100%	100%	100%

Note: NBFCs include Fintech NBFCs, Others includes MNCs and small finance banks
The above classification of player groups is done based on data reported by respective entities to CIBIL.
Source: CIBIL, CRISIL MI&A

4.3 Home loans have the lowest annual credit costs across major asset segments

Housing finance as an asset class has the lowest annual credit costs amongst all large financial asset classes mainly on account of the collateral and the secured nature of the funding. The gross non-performing assets ("GNPA") ratio for micro, small and medium enterprise ("MSME") loans has been in the range of 3-5% for NBFCs in the past two years and that for auto loans has been between 5-7% for NBFCs whereas, for housing loans it has been comparatively better at 1-2%. Thus, for HFCs the asset quality is better in comparison to other NBFCs operating in asset classes having higher GNPA levels.

Average credit costs as a % of average total assets for NBFCs/HFCs across major asset classes during FY19-FY23

Asset Class	**FY19-23 Average**
Housing Finance	0.5%
Auto Finance	1.5%-2.5%
Consumer finance	3%-4%
Micro Finance	2%-3%
MSME Finance (LAP)	1%-2%
MSME (unsecured loans)	5%-6%

Note: E – Estimated
Source: Company Reports, CRISIL MI&A

5. Housing finance market focusing on low-income housing segment in India

5.1 Overview of housing finance market focusing on low-income housing segment

India's mortgage market can broadly be divided into two segments by ticket size of the housing loan at the time of disbursement - loans with ticket size of more than ₹ 1.5 million, and loans with ticket size of ₹ 1.5 million and below. The former can be called normal mortgage market, which is prominent in the metro/urban areas, and the latter which generally includes houses in the outskirts of these areas and semi-urban and rural areas can be defined as housing finance market focusing on low-income housing segment.

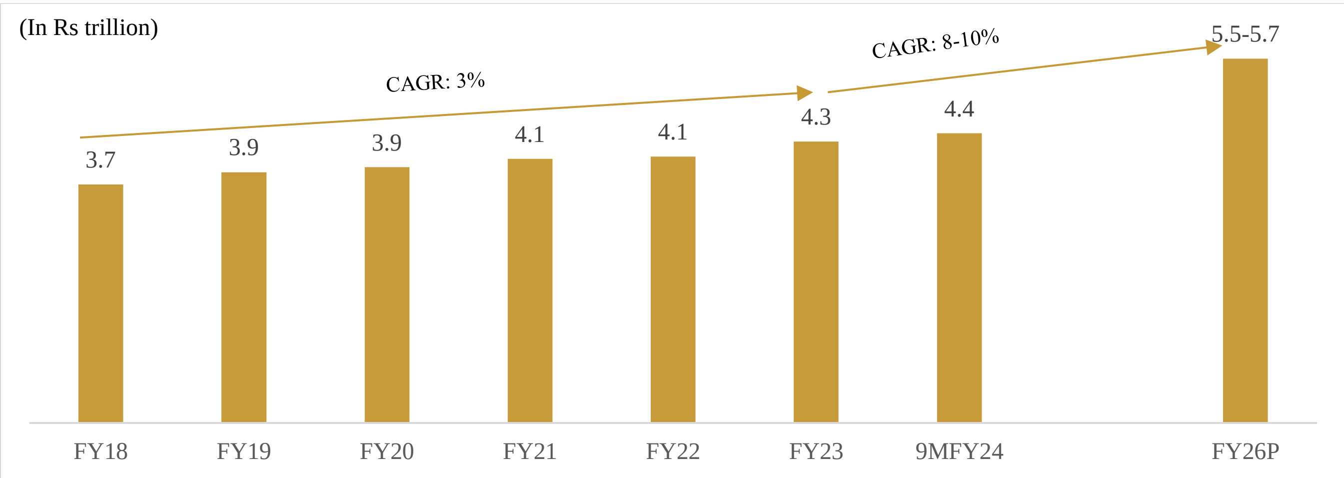
According to CRISIL, housing loans with ticket size greater than ₹ 1.5 million are referred to as normal housing loans ("**Normal housing loans**"), and loans with ticket size lower than ₹ 1.5 million are referred to as housing loans focusing on low-income housing segment ("**Low-income housing loans**"). This segment is also the focus of government schemes such as affordable housing in partnership and Credit Linked Subsidy Scheme ("**CLSS**") under PMAY, and refinance under the National Housing Bank's ("**NHB**") affordable housing fund.[1] As per RBI Report of the Committee on the development of Housing Finance Securitisation Market published in September 2019, the housing shortage is also largely in the EWS and LIG segment with shortage of 45 million houses in the EWS segment and 50 million houses in LIG segment, which put together accounts for 95% of the estimated housing shortage in India.

5.2 Encouraging trends in housing finance market focused on low-income housing segment (loans up to ₹ 1.5 million); market to bounce back more strongly in long term

The overall size of the housing finance market focusing on low income housing loans in India was around ₹ 4.4 trillion as of December 2023, constituting for around 14% of the overall housing finance market, as per CIBIL data. With outstanding loans of ₹ 1.7 trillion as of December 2023, PSBs have the highest market share of 38% in the Low-income housing loans market. HFCs accounted for 29% of the market (outstanding loans of ₹ 1.3 trillion as of December 2023) followed by private banks which had a market share of 22% (outstanding loans of ₹ 1.0 trillion as of March 2023). All other player groups (MNCs and small finance banks) had a cumulative market share of 8% in Low-income housing loans as of December 2023.

Between Fiscals 2018 and 2023, the growth in the low income housing segment has remained subdued, with the segment having witnessed a CAGR of 3% after growing between Fiscals 2015 and 2018 and as compared to overall housing loans, which has grown by 14% during the same time. This can be primarily attributed to a slowdown in economic activity, funding challenges due to NBFC crisis and the COVID-19 pandemic. Further, rise of hybrid work model and working from home led to an increase in demand for bigger residential homes. As a result, the sale in affordable housing took a beating whereas high-end and mid-segment housing gained the maximum in the last couple of years. The industry is expected to see a moderate growth with a CAGR of 8-10% between Fiscals 2023 and 2026.

Projected growth in outstanding loans of low income housing loan segment



Note: P-Projected
Source: CIBIL, CRISIL MI&A

While the market has grown at a tepid pace in the past 2-3 years, CRISIL MI&A is sanguine on future growth due to the following reasons:

- Economic recovery post COVID-19 pandemic and 'return to office' initiated by employers
- Government focus on housing and incentives being given by some state governments such as lowering stamp duties to aid housing demand
- Rising demand for affordable homes as consumers increasingly work out of Tier 3/4 cities in a post-COVID-19 pandemic world

1 (Source: https://nhb.org.in/wp-content/uploads/2021/05/FTS-2407-Refinance-Crcular-AHF-2021-English.pdf)

- Preference for owning homes seems to be on the rise in the post-COVID-19 pandemic world

CRISIL MI&A expects the industry to pick up steam gradually and the loans outstanding in housing finance focused on low income housing segment to touch ₹ 5.4-5.7 trillion by March 2026, translating into a 8-10% CAGR between Fiscals 2023 and 2026.

5.3 State-wise loans outstanding

Based on the home loans outstanding in the low income housing segment, the top 10 states/union territories ("UTs") account for approximately 79% of the market size in this segment as of December 2023. Maharashtra tops the list with the highest share of 16%, followed by Gujarat (12%), Tamil Nadu (9%), Rajasthan (7%) and Madhya Pradesh (7%).

State wise market share of outstanding housing loans focused on low income housing finance

States	FY18	FY19	FY20	FY21	FY22	FY23	9MFY24
Maharashtra	19%	18%	18%	18%	17%	17%	16%
Gujarat	10%	10%	11%	11%	12%	12%	12%
Tamil Nadu	9%	9%	9%	9%	10%	9%	9%
Rajasthan	5%	5%	6%	6%	6%	7%	7%
Madhya Pradesh	5%	6%	6%	6%	6%	7%	7%
Uttar Pradesh	6%	6%	6%	6%	6%	6%	7%
Kerala	6%	6%	7%	7%	7%	7%	6%
Karnataka	6%	6%	6%	6%	6%	6%	6%
Andhra Pradesh	5%	5%	5%	5%	5%	5%	5%
West Bengal	4%	4%	4%	4%	4%	4%	4%
Others	23%	23%	22%	22%	21%	21%	21%

Note: States/UT which have less than 1.5% share of housing finance focused on low income housing segment are- Bihar, Odisha, Uttarakhand, Assam, Himachal Pradesh, Jharkhand, Chandigarh, Jammu and Kashmir, Goa, Tripura, Pondicherry, Sikkim, Mizoram, Dadra & Nagar Haveli, Manipur, Meghalaya, Daman & Diu, Andaman & Nicobar islands, Nagaland, Arunachal Pradesh and Lakshadweep
Source: CIBIL, CRISIL MI&A

5.4 Long-term growth drivers for housing finance

Higher transparency in the housing finance sector, increasing affordability and urbanization, and government incentives is expected to push up the housing finance market in longer term.

Government Initiatives

- **PMAY-U:** The scheme aims to fill the supply-demand gap in the housing sector. On supply side, the scheme offers incentives for beneficiary-led housing, public private partnerships ("**PPP**") in building homes for EWS and LIG by offering incentives such as allowing higher floor space index and announcing grants and subsidies for slum redevelopment. On the demand side, the PMAY provides credit-linked subsidies to stimulate demand
- **PMAY-G:** The scheme is for the rural population who don't have their own houses. It provides financial assistance and interest rate subsidy
- **Special financing window:** This window is expected to help revive stalled housing projects which require a last-mile funding to reach completion
- **Relaxation of external commercial borrowing ("ECB") guidelines:** The relaxed ECB guidelines will enable easier access to overseas funds and stimulate the sector
- **Tax incentives:** Provides various tax benefits to home loan borrowers and developers
- **Real estate regulatory authority ("RERA"):** The law was introduced in order to make the sector transparent
- **Goods and Service tax ("GST"):** The GST rate for affordable housing projects was cut
- **Employees provident fund ("EPF") corpous withdrawal:** Permission to withdraw 90% of the EPF corpus enables prospective home buyers to make the down payment and pay their home loan equated monthly instalments ("EMIs")

Regulator initiatives

- Risk weight rationalisation on housing loans to improve sentiment for the real estate sector
- **Regulatory authority of HFCs shifted from NHB to RBI:** The Budget 2020 proposed a change in regulatory oversight and supervision of HFCs from the NHB to the Reserve Bank of India (RBI). This shift led to more streamlined regulations and better risk management framework for HFCs.
- **SARFAESI Act**: Bringing HFCs under the ambit of the SARFAESI Act has helped them accelerate recoveries
- **NHB refinance:** The NHB refinancing schemes help HFCs lower their borrowing costs
- **PSL guidelines revised:** The RBI increased the threshold limit for home loans to be classified as PSL in order to promote PMAY

Other factors

- **Low mortgage penetration**
- **Rising urbanisation and nuclearisation:** Decreasing average household size and rising level of urban population create more housing demand.
- **Rising income levels:** Rising income levels help improve the affordability of houses
- **Rising independent housing demand:** Increase in share of independent houses helps housing finance market grow in the long term

Source: CRISIL MI&A

6. Regulatory Initiatives

6.1 Regulatory Authority on HFCs shifted from NHB to the RBI

The Union Budget 2019-20 announced the transfer of regulatory power on HFCs from NHB to RBI. This has resulted in streamlined regulations and implementation as well as better risk management framework for HFCs. The RBI Act was amended to give the central bank powers to regulate HFCs. This move was expected to ensure there is greater parity in regulations for NBFCs and HFCs.

6.2 PSL eligibility increased in Housing

The RBI has increased (under the notification released in June 2018) eligibility for priority sector lending (PSL) in housing loans with a view to converge PSL guidelines with PMAY. The eligibility has been increased from ₹ 2.8 million to ₹ 3.5 million for metropolitan centers and from ₹ 2 million to ₹ 2.5 million for other centers. The cost of dwelling units has been capped at ₹ 4.5 million in metropolitan centers and at ₹ 3 million in other centers. The on-lending limits given to NBFC/HFCs from banks were also raised from ₹ 1 million to ₹ 2 million.

6.3 NHB's Refinance to aid borrowing cost for HFCs catering to Affordable housing

While access to the debt markets allows large HFCs to mobilize resources at competitive rates, niche HFCs have benefited from the NHB's refinance schemes. The NHB runs various schemes under which it refinances banks and HFCs. This funding is available to affordable housing players at a very low rate but it comes with an interest rate capping. It leads to improvement in borrowing cost but at the same time reduces the yield too, while keeping the spread at similar levels.

6.4 Real Estate (Regulation and Development) Act

Framework of RERA

Transparency

- Compulsory registration of all ongoing and upcoming real estate projects; existing under-construction projects which have not received completion certificates is covered under the Act. Developers to disclose project-related details including project plan, layout, and government approvals to the customers. The details include sanctioned FSI, number of buildings and wings, number of floors in each building, etc
- Buyers to pay only for the carpet area
- Consent of two-third allottees to be taken for any major addition or alteration

Liability

- Any structural defect, or any other obligations of the promoter as per the agreement for sale, brought to notice of promoter within five years from possession to be rectified free of cost
- No false statements or exaggerated commitments to be given in advertisements
- Buyers have to comply with payment schedule mentioned in model sale agreement (which mandates them to pay up to 30% of total consideration on execution of agreement, an additional up to 15% of total consideration on completion of plinth work; and remaining payment as per clauses mentioned in the model sale agreements)

Security

- 70% of the money received from buyers for a particular project to be transferred to an escrow account
- Withdrawals to be in accordance with project completion and need to be certified by engineer, architect, and a practicing chartered accountant

Discipline

- Developers have to register their projects with the RERA before advertising or marketing
- Brokers/ agents to be registered with RERA
- Project details to be updated quarterly on RERA website
- Project accounts to be audited annually by a CA

Compliance

- In case of delay, developers have to pay interest to home buyers at State Bank of India's highest marginal cost of lending rate plus 2%
- Developer may terminate the agreement in case of three payment defaults by buyers (by giving 15 days' notice)
- Monetary fines/ penalties for not registering the projects and continuous default/ non-compliance with any provision of the Act/ non-compliance with the order of Appellate Tribunal (does not mention imprisonment penalties to developers)

Justice

- The complaint at the initial stage will be handled by the authority, with further appeal resting with the RERA Appellate Tribunal. A second appeal is also allowed to be filed before a High Court

Source: CRISIL MI&A

7. Business Model of housing financiers focused on low income housing segment

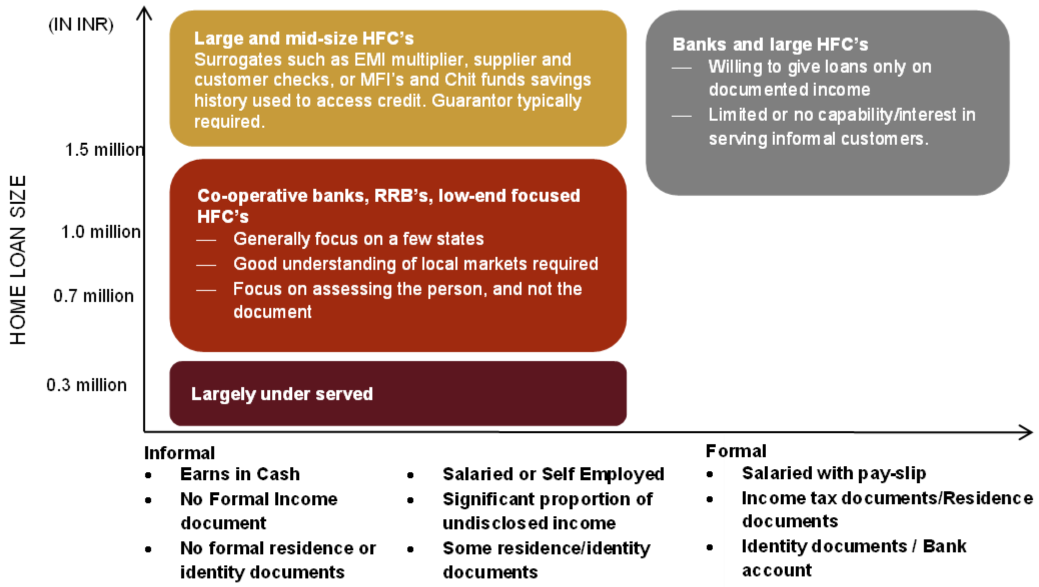
Housing financiers focused on low income housing segment typically serve the underserved category of low-income or mid-income customers who may be salaried, working in the informal sector or self-employed running a small business. Many a times, these customers do not have adequate documentation that can serve as proof of their income. Also, as these customers are in economically weaker segments they face challenges in accessing organized institutional lending, and hence largely rely on loans from informal sources, including moneylenders and local businessmen at higher rates of interest.

The high cost of serving this category of customers has prompted financiers to adopt innovative models to source business. An HFC targeting this segment of customers usually has a hub and spoke model where retail branches of the HFC operate as 'hubs' in urban areas, while small kiosks are set up near areas where construction activity is taking place to source customers. Financiers also spread awareness about their products in rural areas by setting up kiosks at 'gram sabhas' and arranging 'loan melas' for potential customers.

However, some players also rely on customers indulging in self-construction of their houses in tier-2 and tier-3 cities in need of credit. These players have sourcing strategies focused on attracting customers with touch points in nearby locations.

Usually, close to 70% of the overall business of HFCs focused on low income housing segment is sourced through direct sales teams. Direct customer contact through these teams enables better visibility and helps limit fraud, thus making for reliable customer assessment. Moreover, all critical functions like origination, verification and credit appraisal are performed in-house, while certain non-core activities like loan documentation and document processing may be outsourced. This allows HFCs in this segment to allocate more internal resources towards vital aspects of lending such as verification, credit appraisal and credit assessment.

Exploring the low income housing (<₹ 1.5 million) segment



Source: CRISIL MI&A

7.1 HFCs focused on low income segment vs. normal housing finance players

The type of borrower's profile and higher risk-taking ability of players focused on low income housing segment led these financiers to charge higher yields in comparison to that charged by normal housing players. Given below is the list of factors explaining higher yields charged by housing players focused on low income housing segment.

S. no.	Parameters	Housing finance players focused on low income housing segment	Normal housing finance players
1.	Borrower profile	Mostly self-employed customers and customers having weaker income documents; some HFCs though focus on salaried but low-income customers	Majorly focus on customers having proper income documents
2.	Surrogate usage	High surrogate usage to derive the income of borrowers	Very minimal usage of surrogates
3.	Geographical focus	Mainly focus on smaller towns, semi-urbans areas and outskirts of larger cities	Mainly present in major locations and Tier 1 cities
4.	Credit appraisal	Credit appraisal process involves high level of subjectivity to derive income and cash flow patterns	Credit appraisal process is based on pre-defined income and eligibility policies

S. no.	Parameters	Housing finance players focused on low income housing segment	Normal housing finance players
5.	Collection	Relatively lower share of repayment through electronic clearing service (“ECS”) / national automated clearing house (“NACH”) leading to higher operating expenses (“**opex**”)	Higher proportion of ECS and NACH in EMI payment leading to higher collection efficiency
6.	Cost and sources of funds	Higher reliance on bank borrowings leading to relatively higher cost of funds	Higher reliance on capital markets leading to cheaper funds

Source: CRISIL MI&A

7.2 First time availing loan facility (New to Credit)

Share of first time credit customers in housing finance focused on low income housing segment are more than double as compared to normal housing (ticket size more than ₹ 1.5 million) in Fiscal 2023. The declining share of first time credit customers from fiscal 2022 to fiscal 2023 also indicates better availability of loan repayment records of customer while assessing them for credit underwriting.

New customers to credit (In value terms)

	Normal Housing			Low-income housing segment		
	FY22	**FY23**	**9MFY24**	**FY22**	**FY23**	**9MFY24**
Disbursement to new to credit customers (₹ billion)	373	414	275	109	116	77
Disbursement to known to credit customers (₹ billion)	6,563	8,066	7,248	728	858	709
Share of new to credit customers in disbursements (%)	5%	5%	4%	13%	12%	10%

Note: Share of new to credit is derived as disbursement to new to credit customers divided by total disbursement to new to credit and known to credit customers.
New to credit customers are defined as customers with no credit history at the time of loan sanction
Source: CIBIL, CRISIL MI&A

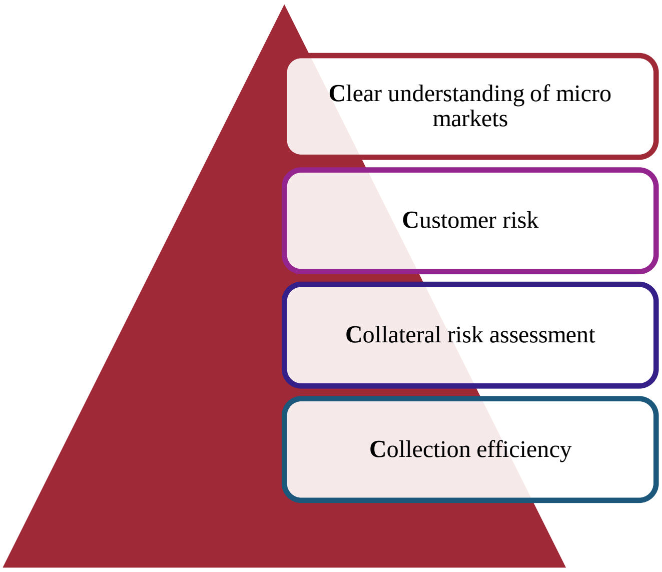
Similar trend can be observed with regards to first time home loan facility users in housing finance focused on low income housing segment. As of the nine months ended December 31, 2023, first time home loan consumers account for 57% of housing loan disbursements in case of housing finance focused on low income housing segment, which is much higher than their share of around 46% in housing loan disbursements above ₹ 1.5 million ticket size.

New customers to home loan (In value terms)

	Normal Housing			Low-income housing segment		
	FY22	**FY23**	**9MFY24**	**FY22**	**FY23**	**9MFY24**
Disbursement to new to product customers (₹ billion)	3,564	4,392	3,305	505	590	424
Disbursement to known to product customers (₹ billion)	3,373	4,088	3,864	332	384	322
Share of new to product customers in disbursements (%)	51%	52%	46%	60%	61%	57%

Note: Share of new to product is derived as disbursement to new to product customers divided by total disbursement to new to product and known to product customers.
New to product customers are defined as customers with no credit history for home loans at the time of loan sanction
Source: CIBIL, CRISIL MI&A

7.3 4C's to succeed in Housing Finance focused on low income segment



Source: CRISIL MI&A

7.4 HFCs have the highest share in housing finance disbursement focused on low income housing segment

HFCs have 38% market share in terms of housing finance disbursement and 29% market share in term of outstanding focused on low income housing segment in the nine months ended December 31, 2023. They have been able to cultivate a strong market position in this segment due to the following:

- Strong origination skills and focused approach
- Creation of niches in catering to particular categories of customers
- Strong understanding of customer segment, excellent customer service and diverse channels of business sourcing
- Non salaried customer profile – around 50-55% of customers
- Focus and presence in smaller cities as well

These factors are expected to help them maintain market share in the future as banks have become risk averse and are focusing on high ticket customers with good credit profiles. By virtue of being largely focused on metros and urban areas, ticket sizes of banks and large HFCs have followed rising property prices. A focus on the urban salaried segment by banks and large HFCs has left non-salaried as well as Tier 3, and rural market open to anyone with the capability to operate in that segment.

Market share of player groups under low income housing segment based on disbursement

Period	Disbursement by player groups (₹ billion)						Market share of player groups based on disbursement				
	HFCs	NBFCs	Others	PSBs	Private banks	Total	HFCs	NBFCs	Others	PSBs	Private banks
Q1 FY19	72	6	16	72	39	205	35%	3%	8%	35%	19%
Q2 FY19	74	7	17	74	42	214	34%	3%	8%	35%	20%
Q3 FY19	49	5	17	75	39	185	26%	3%	9%	40%	21%
Q4 FY19	73	7	21	87	48	235	31%	3%	9%	37%	20%
Q1 FY20	51	6	16	60	64	197	26%	3%	8%	31%	32%
Q2 FY20	50	6	17	67	48	187	26%	3%	9%	36%	25%
Q3 FY20	50	6	18	75	44	193	26%	3%	9%	39%	23%
Q4 FY20	44	5	19	78	43	189	23%	3%	10%	41%	23%
Q1 FY21	11	1	6	28	11	57	19%	2%	10%	48%	20%
Q2 FY21	42	5	15	58	42	161	26%	3%	9%	36%	26%
Q3 FY21	57	5	19	70	54	206	28%	3%	9%	34%	26%
Q4 FY21	71	7	27	82	64	250	28%	3%	11%	33%	26%
Q1 FY22	26	3	12	41	33	115	22%	2%	11%	35%	29%
Q2 FY22	67	7	21	65	54	215	31%	3%	10%	30%	25%
Q3 FY22	69	7	23	76	57	232	30%	3%	10%	33%	25%
Q4 FY22	88	8	29	88	62	275	32%	3%	11%	32%	22%
Q1 FY23	74	9	22	63	50	218	34%	4%	10%	29%	23%
Q2 FY23	83	10	24	75	51	243	34%	4%	10%	31%	21%
Q3 FY23	86	12	27	73	45	244	35%	5%	11%	30%	19%
Q4 FY23	98	15	28	79	48	268	37%	6%	10%	29%	18%
Q1 FY24	79	14	22	56	43	213	37%	7%	10%	26%	20%
Q2 FY24	92	16	24	71	47	249	37%	6%	10%	28%	19%

Period	Disbursement by player groups (₹ billion)						Market share of player groups based on disbursement				
	HFCs	NBFCs	Others	PSBs	Private banks	Total	HFCs	NBFCs	Others	PSBs	Private banks
Q3 FY24	95	16	23	68	44	247	39%	6%	9%	28%	18%

Note: NBFCs include Fintech NBFCs, Others includes MNCs, small finance banks
Source: CIBIL, CRISIL MI&A

8. Analysis of housing finance companies based on book size

CRISIL MI&A has analyzed the variation in performance of HFCs on the basis of assets under management ("**AUM**") (including home loans, loan against property, developer loans and any other loans by the HFC) as well as focus segment in terms of ticket size. Accordingly, the HFCs have been classified as large HFCs, medium HFCs, small HFCs, and mini HFCs based on the book size of the company.

HFCs have also been classified as HFCs focused on low income housing segment, based on higher share of housing loans with ticket size less than ₹ 1.5 million in their portfolio.

The following table details the categorization of HFCs used for the analysis:

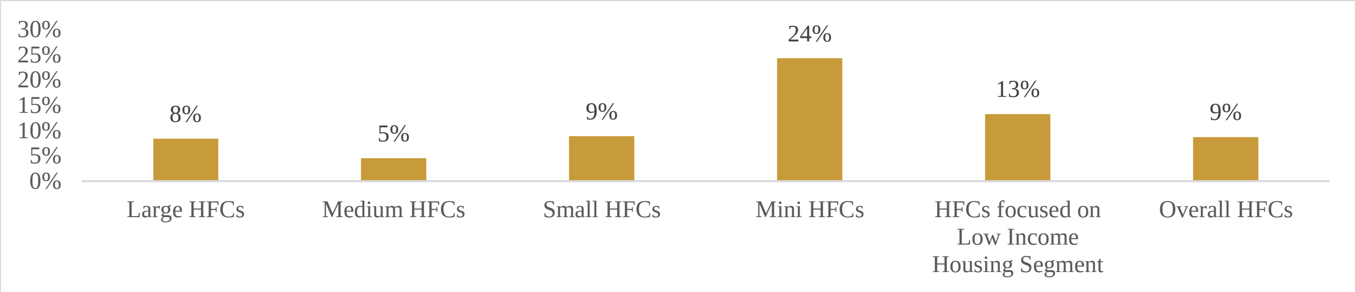
Category	HFCs Included	HFCs focused on low income housing segment (HFCs with higher share of housing loans with ticket size (at the time of disbursement) less than ₹ 1.5 million in their portfolio)
Large HFCs (Average AUM for FY22 and FY23 more than ₹ 500 billion)	Indiabulls Housing Finance Ltd., LIC Housing Finance Ltd., Piramal Capital and Housing Finance Limited, PNB Housing Finance Limited, Bajaj Housing Finance Limited	Nil
Medium HFCs (Average AUM for FY22 and FY23 between ₹ 175 billion and ₹ 500 billion)	Can Fin Homes Ltd., ICICI Home Finance Company Limited, India Infoline Housing Finance Limited, L&T Finance Ltd, Reliance Home Finance Limited, and Tata Capital Housing Finance Limited	Nil
Small HFCs (Average AUM for FY22 and FY23 between ₹ 70 billion and ₹ 175 billion)	Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aditya Birla Housing Finance Limited, GIC Housing Finance Ltd., Mahindra Rural Housing Finance Limited, REPCO Home Finance Ltd., and Sundaram Home Finance Limited	Aadhar Housing Finance Limited, AAVAS Financiers Limited
Mini HFCs (Average **AUM for FY22** and **FY23 less than ₹ 70 billion)**	Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance Corporation Limited, Bee Secure Home Finance Private Limited, Capri Global Housing Finance Limited, Centrum Housing Finance Limited, DMI Housing Finance Private Limited, Nido Home Finance Limited, SMFG India Home Finance Company Limited, Home First Finance Company India Private Limited, IND Bank Housing Ltd., India Home Loans Limited, India Shelter Finance Corporation Limited, Indostar Home Finance Private Limited, JM Financial Home Loans Limited, Khush Housing Finance Private Limited, Magma Housing Finance, Manappuram Home Finance Limited, Manipal Housing Finance Syndicate Limited, MAS Rural Housing & Mortgage Finance Limited, Mentor Home Loans India Ltd., Svatantra Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, National Trust Housing Finance Limited, New Habitat Housing Finance And Development Limited, Sahara Housingfina Corporation Limited, Sewa Grih Rin Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, SRG Housing Finance Ltd., and Vastu Housing Finance Corporation Limited	Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance Corporation Limited, Bee Secure Home Finance Private Limited, Capri Global Housing Finance Limited, DMI Housing Finance Private Limited, SMFG India Home Finance Company Limited, Home First Finance Company India Private Limited, IND Bank Housing Ltd., India Home Loans Limited, India Shelter Finance Corporation Limited, Indostar Home Finance Private Limited, JM Financial Home Loans Limited, Khush Housing Finance Private Limited, Mahindra Rural Housing Finance Limited, Manappuram Home Finance Limited, MAS Rural Housing & Mortgage Finance Limited, Mentor Home Loans India Ltd., Svatantra Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, National Trust Housing Finance Limited, New Habitat Housing Finance And Development Limited, Sahara Housing finance Corporation Limited, Sewa Grih Rin Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, SRG Housing Finance Ltd., and Vastu Housing Finance Corporation Limited

Note: L&T Finance is categorized as a medium HFC as the merger of its subsidiaries happened recently

8.1 Mini HFCs and HFCs focused on low income housing segment have grown the fastest amongst various player groups

Among the various player groups, the credit outstanding of mini HFCs and HFCs focused on low income housing segment grew the fastest at 24% and 13% CAGR respectively between Mar-2018 to Mar-2023.

Five-year CAGR (Mar-2018 to Mar-2023) of HFC groups in overall housing finance industry



Source: CIBIL, CRISIL MI&A

8.2 Large HFCs continue to have dominant share, however mini HFCs have increased their market share in overall home loans outstanding

The large HFCs continue to have a dominant share of the housing finance market within the HFC pie. However, their market share has been coming down in credit outstanding as several new HFCs focused on specific target segments such as low income housing have emerged. As of December 2023, large HFCs had a market share of approximately 63% in housing loans outstanding. Share of mini HFCs in housing loans outstanding has increased from 4% as of March 2018 to 9% as of December 2023. Going forward, as economic growth picks up, CRISIL MI&A expects revival in demand from lower income segment which will aid mini, small and mid-sized HFCs, especially those with a strong segment focus and access to funds, to increase their market share, albeit on a relatively lower base.

Market share of HFC groups, based on disbursements in overall housing finance industry

	HFC player group-wise disbursement (₹ billion)						**HFC player group-wise disbursement mix**					
	FY19	**FY20**	**FY21**	**FY22**	**FY23**	**9MFY 24**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**9MFY 24**
Large HFCs	805	528	522	796	880	652	66%	62%	67%	65%	55%	66%
Medium HFCs	150	135	92	199	281	242	12%	16%	12%	16%	20%	12%
Small HFCs	179	128	99	124	190	138	15%	15%	13%	10%	12%	15%
Mini HFCs	79	55	63	101	175	163	7%	7%	8%	8%	14%	7%
Total	**1,213**	**847**	**776**	**1,221**	**1,526**	**1,195**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: CIBIL, CRISIL MI&A

Market share of HFC groups, based on credit outstanding in overall housing finance industry

	HFC player group-wise credit outstanding (₹ trillion)							**HFC player group-wise credit outstanding mix**						
	FY18	FY19	FY20	FY21	FY22	FY23	9MF Y24	FY 18	FY19	FY20	FY21	FY22	FY23	9MF Y24
Large HFCs	2.0	2.3	2.7	2.6	2.8	3.0	3.3	66%	66%	69%	68%	70%	65%	63%
Medium HFCs	0.5	0.5	0.5	0.4	0.4	0.6	0.8	16%	15%	12%	12%	10%	14%	15%
Small HFCs	0.4	0.5	0.6	0.6	0.6	0.6	0.7	13%	15%	14%	15%	14%	14%	13%
Mini HFCs	0.1	0.2	0.2	0.2	0.3	0.4	0.5	4%	5%	5%	6%	6%	8%	9%
Total	**3.1**	**3.5**	**3.9**	**3.8**	**4.0**	**4.7**	**5.3**	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**

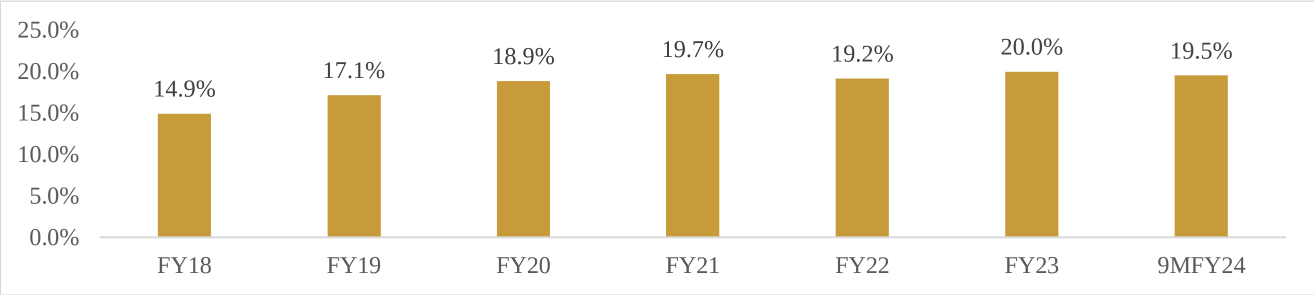
Source: CIBIL, CRISIL MI&A

The HFC focused on low income housing segment consists primarily of small and mini HFCs. They were able to increase their market share from 14.9% as of March 2018 to 19.5% as of December 2023 in terms of home loan outstanding.

The defining characteristic of these HFCs is their strong focus on their target segment (i.e., housing loans lower than ₹ 1.5 million ticket size to low-income customers), deep understanding of the micro- markets they operate in, and relatively lower focus on other products such as loans against property ("LAP") and developer loans. Their credit assessment processes are fine-tuned to serve their target segment.

In addition, they largely rely on their own direct sales teams to source home loans, as opposed to market intermediaries such as DSAs. According to CRISIL MI&A estimates, direct sales teams as a sourcing channel account for 65-70% of the loans of these HFCs.

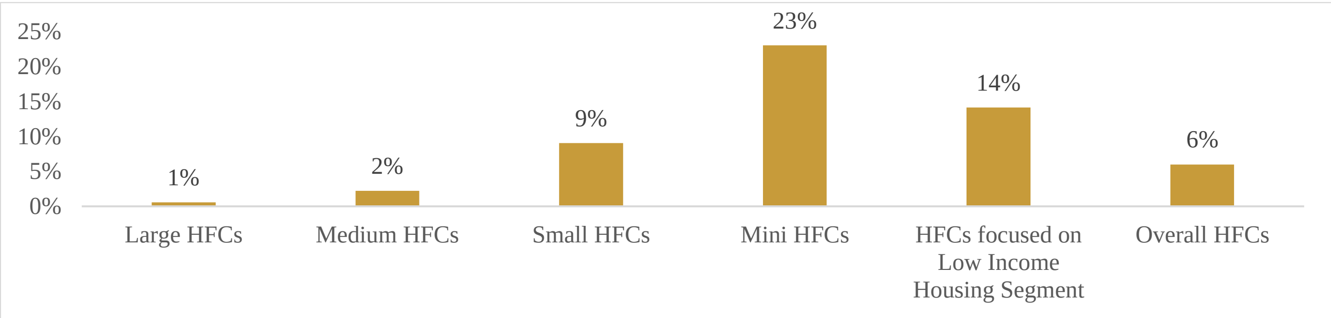
Market share of HFCs focused on low income housing segment in overall housing loans outstanding of HFCs



Source: CIBIL, CRISIL MI&A

Not surprisingly, mini HFCs, most of whom have a larger focus on home loans focused on low income housing segment, have outperformed the other player groups, clocking 23% CAGR in loans in this category over the last five years ending Fiscal 2023. As against this, the overall market for HFCs in this segment clocked 6% CAGR from March 2018 to March 2023. Even the HFCs focused on low income housing segment have grown at a high pace of 14% in this category.

Five-year CAGR (Mar-2018 to Mar-2023) of HFC groups in housing finance focused on low income housing segment

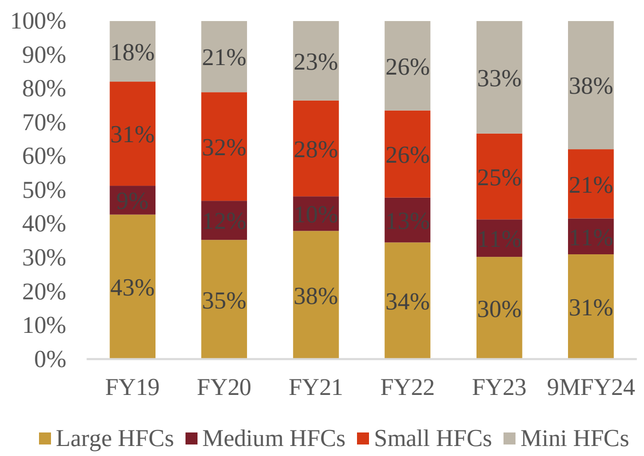


Source: CIBIL, CRISIL MI&A

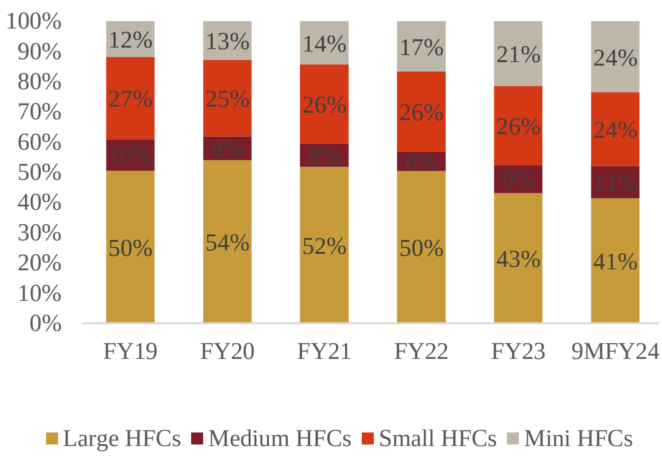
8.3 Competitive landscape among HFCs focused on low income housing segment

With respect to credit outstanding, the share of large HFCs has reduced gradually from 56% as of March 2018 to 41% as of December 2023. The share of small HFCs, in terms of credit outstanding, increased from 23%, as of March 2018, to 24%, as of December 2023, and that of mini HFCs increased from 10% to 24% in the same period. This increase in market share was majorly driven by penetration of these financiers in rural markets and semi-urban areas, government and regulatory thrust, as well as increased affordability and aspirations of the borrowers.

Market share of HFC groups, based on disbursements of housing focused on low income housing segment



Market share of HFC groups, based on outstanding housing finance focused on low income home loans

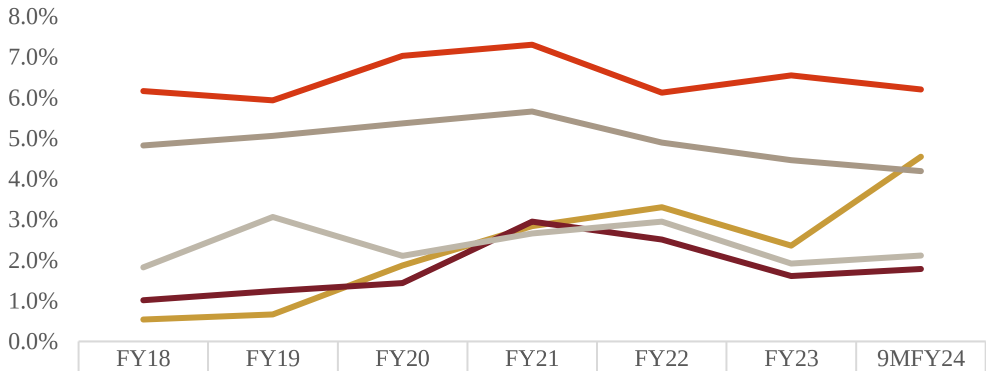


Source: CIBIL, CRISIL MI&A

8.4 Significant variation in asset quality across player-levels observed; Improvement in the asset quality of HFCs focused on low income housing segment

In the housing loans focused on low income housing segment, medium HFCs have the least GNPA as a proportion of total advances in this segment at 1.8%, followed by mini HFCs at 2.1% as on December 2023. Small HFCs have the highest GNPA ratio of 6.2%, as of December 2023 which however has reduced from 7.3% as of March 2021. The GNPA ratio of the HFC group focused on low income housing segment reduced significantly to 4.2%, as of March 2023 from 5.7% as of March 2021.

GNPA (90 DPD) ratio of HFC groups in the low income housing segment



	FY18	FY19	FY20	FY21	FY22	FY23	9MFY24
Large HFCs	0.5%	0.7%	1.9%	2.8%	3.3%	2.4%	4.5%
Medium HFCs	1.0%	1.2%	1.4%	2.9%	2.5%	1.6%	1.8%
Small HFCs	6.2%	5.9%	7.0%	7.3%	6.1%	6.5%	6.2%
Mini HFCs	1.8%	3.1%	2.1%	2.7%	3.0%	1.9%	2.1%
HFCs focused on Low Income Housing Segment	4.8%	5.1%	5.4%	5.7%	4.9%	4.5%	4.2%

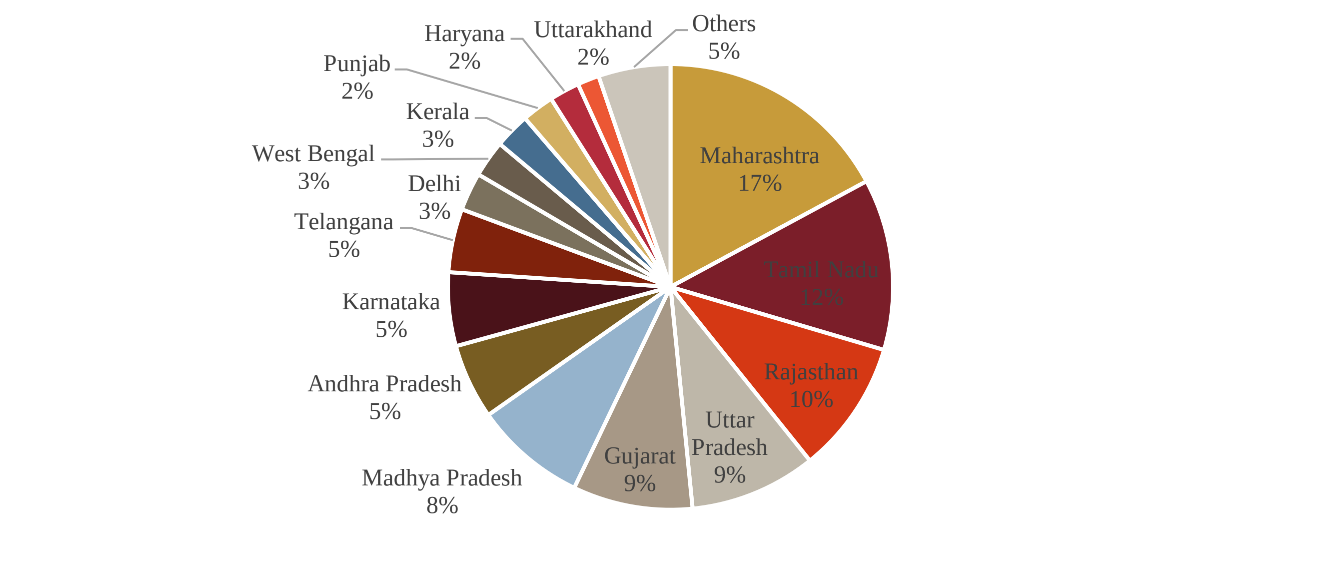
Source: CIBIL, CRISIL MI&A

8.5 State-wise Analysis

State-wise analysis of HFC Groups in housing finance focused on low income housing segment

The performance of various categories of HFCs in housing finance of less than ₹ 1.5 million ticket size was also analyzed. There are wide variations across states and districts within the state that indicate the intensity of the presence of the HFCs and their impact. Top 15 states have a market share of 95% in terms of credit outstanding of HFCs in the housing finance focused on low income housing as of March 2023. Maharashtra is at the top with a market share of 17% followed by Tamil Nadu (12%), and Rajasthan (10%).

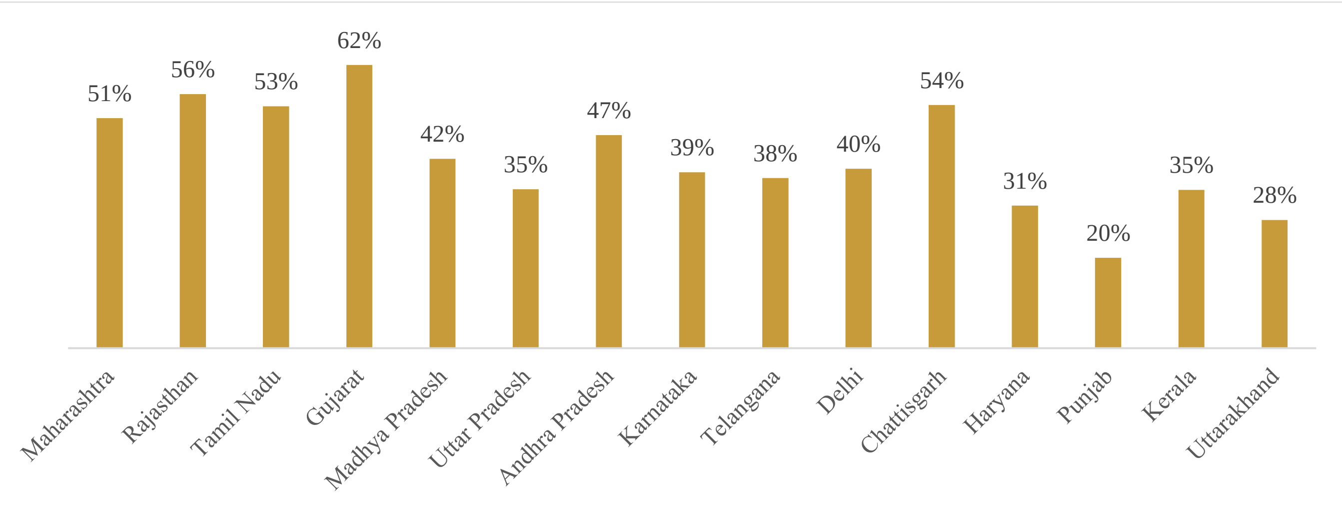
HFCs in top 15 states contribute to 95% of credit outstanding of HFCs as of March 2023 – housing finance focused on low income housing segment



Source: CIBIL, CRISIL MI&A

In terms of disbursement of home loans extended by overall HFCs in the housing finance industry focused on low income housing segment, HFCs focused on low income housing segment have the highest market share of 62% in Gujarat, followed by Rajasthan (56%) and Chhattisgarh (54%) in the nine months ended December 31, 2023.

Market Share of HFCs focused on low income housing segment in top 15 states in terms of disbursement by HFCs in housing finance industry focused on low income housing segment in 9MFY24



Note: Top 15 states as per disbursement of HFCs focused on low income housing segment as of 9MFY24, Source: CIBIL, CRISIL MI&A

9. Profitability analysis

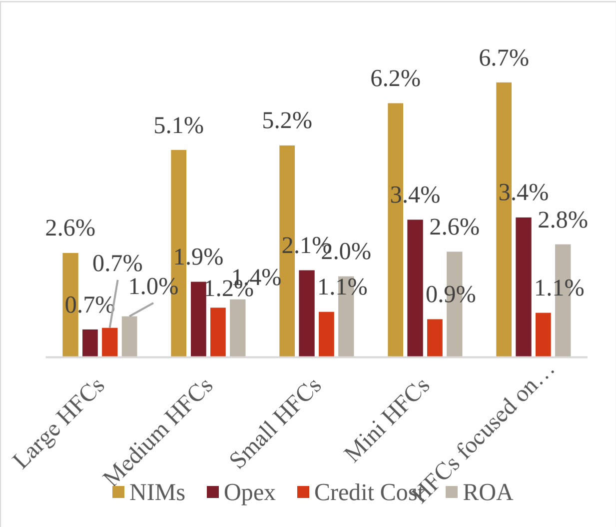
Higher returns, lesser competition makes the low-income housing segment attractive amongst the HFCs

Housing loans are considered to be a safer asset class compared with other asset classes such as vehicle loans, construction equipment loans and personal loans, as borrowing is usually for a self-occupied residential property of the borrower, where the propensity of default is relatively lower.

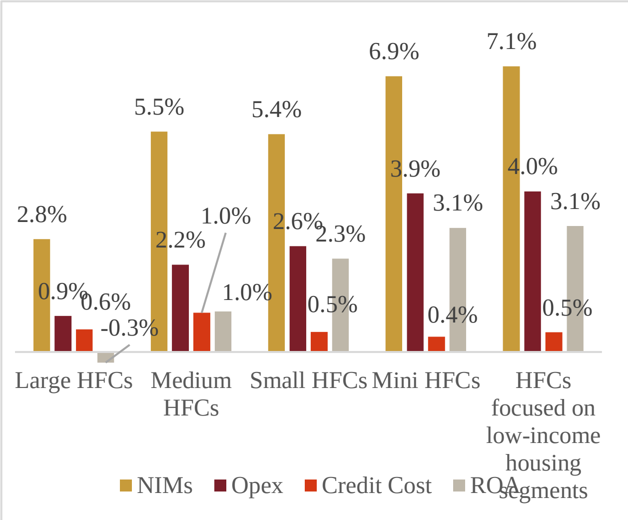
Among the peer group set (large, medium, small, mini and HFCs focused on low-income housing segment), HFCs focused on low-income housing segment have highest profitability - return on assets ("RoA"). The higher RoA of HFCs focused on low-income housing segment – 3.1% in Fiscal 2023 – can be attributed to the relatively higher net interest margins ("NIMs") they enjoy despite their higher cost of funds. The higher NIMs is due to the higher interest rates they charge the customers. In Fiscal 2023, profitability increased for medium, small, mini and HFCs focused on low-income segment.

Over the longer term, CRISIL MI&A expects the low income housing industry's profitability to gradually improve. As economy revives, delinquencies are also expected to normalize, leading to decrease in credit costs for HFCs. Additionally, for players in housing finance focused on low-income housing segment, operating expenses, too, would moderate, as business volumes increase and the level of standardization and digitalization in credit assessment increases.

Profitability parameters – Fiscal 2022



Profitability parameters – Fiscal 2023



Note – Numbers are computed basis Standalone numbers

1) *Large HFCs include data for Indiabulls Housing Finance Ltd, LIC Housing Finance Ltd and PNB Housing Finance Ltd, Piramal Capital and Housing Finance Ltd and Bajaj Housing Finance Ltd, Data for HDFC Limited is excluded from the analysis owing to its merger with HDFC Bank, Large HFCs reported negative RoA in FY23 due to the impact of exceptional provisioning done by Piramal Capital and Housing Finance Limited in the same period.*
2) *Medium HFCs include data for Can Fin Homes Ltd, ICICI Home Finance Ltd, L&T Housing Finance Ltd and TATA Capital Housing Finance Ltd and India Infoline Housing Finance Ltd*
3) *Small HFCs include data for GIC Housing Finance Ltd, REPCO Home Finance Ltd, Aadhar Housing Finance Limited, AAVAS Financiers Limited, Aditya Birla Housing Finance Limited, Sundaram Home Finance Limited and Mahindra Rural Housing Finance Limited*
4) *Mini HFCs include data for Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Motilal Oswal Home Finance, Capri Global Housing Finance Limited, Centrum Housing Finance Limited, Nido Home Finance Limited, SMFG India Home Finance Co. Ltd., Home First Finance Company India Private Limited, India Home Loans Limited, India Shelter Finance Corporation Limited, JM Financial Home Loans Limited, Magma housing finance, Manappuram Home Finance Limited, MAS Rural Housing & Mortgage Finance Limited, Mentor Home Loans India Limited, Svatantra Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, Sahara Housingfina Corporation Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, SRG Housing Finance Limited., and Vastu Housing Finance Corporation Limited*
5) *HFCs focused on low income housing segment include data for Aadhar Housing Finance Limited, AAVAS Financiers Limited, Akme Star Housing Finance Limited, Aptus Value Housing Finance India Limited, Aspire Home Finance Corporation Limited, Capri Global Housing Finance Limited, Fullerton India Home Finance Company Limited, Home First Finance Company India Private Limited, India Home Loans Limited, India Shelter Finance Corporation Limited, JM Financial Home Loans Limited, Mahindra Rural Housing Finance, Manappuram Home Finance Private Limited, MAS Rural Housing & Mortgage Finance Limited, Mentor Home Loans India Limited, Micro Housing Finance Corporation Limited, Muthoot Homefin India Limited, Muthoot Housing Finance Company Limited, Sahara Housingfina Corporation Limited, Shriram Housing Finance Ltd., Shubham Housing Development Finance Company Limited, SRG Housing Finance Limited., and Vastu Housing Finance Corporation Limited*
6) *NIM has been calculated as Net Interest Margin/ Average Assets, Opex has been calculated as Operating expenses/ Average Assets, Credit cost has been calculated as Provisions/ Average Assets and RoA has been calculated as PAT/ Average Assets*

Source – Company Reports, CRISIL MI&A

10. Peer benchmarking

The peer set: Aadhar Housing Finance, Aavas Financiers, Motilal Oswal Home Finance (Formerly Aspire Home Finance Corporation Limited), Home First Finance Company, Poonawalla Housing Finance (formerly Magma Housing Finance), Aptus Value Housing Finance, SMFG India Home Finance, Muthoot Homefin, Vastu Housing, India Shelter Finance Corporation, Shubham Housing Development Finance Company, and Muthoot Housing Finance. These HFCs have been selected due to their strong focus (defined in terms of ticket size focus as well as having more than 50% share of home loans in their portfolio mix) on home loans with an average ticket size in the range of ₹ 0.5 million and ₹ 1.2 million. These 12 entities also have more than 50% share of home loans in their portfolio mix. Further, the average of home loan ticket size of these entities was ₹ 1.02 million.

10.1 Aadhar had the highest AUM and net worth among peers analyzed

Aadhar Housing Finance is a HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India and had the highest AUM and net worth among analyzed peers in Fiscal 2021, Fiscal 2022, Fiscal 2023, and nine month ended December 31, 2022 (9MFY23) and December 31, 2023 (9MFY24). As of March 2023 and December 2023, AUM of Aadhar Housing Finance is around 1.2 times of Aavas Financiers which has the second highest AUM amongst peers analysed.

Size of the companies (Nine months ended December 31, 2023)

Nine months ended December 31, 2023	AUM (₹ billion)	YoY AUM growth	Disbursements (₹ billion)	YoY Disbursement growth	Total income (₹ billion)	Profit after tax (₹ billion)	Total Net Worth (₹ billion)
Aadhar Housing Finance	198.7	20%	49.0	24%	18.95	5.48	42.5
Aavas Financiers	160.8	23%	36.9	7%	14.7	3.5	NA
Home First Finance Company	90.1	34%	28.6	33%	8.4	2.2	20.3
SMFG India Home Finance	80.3	30%	28.9	27%	7.0	0.4	9.1
Aptus Value Housing Finance	80.7	28%	21.6	25%	10.2	4.5	37.0
Poonawalla Housing Finance Limited	NA	NA	NA	NA	7.6	0.9	18.4
Motilal Oswal Home Finance	37.8	2%	5.4	-16%	4.3	1.0	12.2
Vastu Housing Finance*	NA	NA	NA	NA	7.0	2.1	26.1
India Shelter Finance	56.1	42%	19.0	40%	6.2	1.7	22.1
Shubham Housing	40.8	44%	17.4	56%	NA	NA	13.4
Muthoot HomeFin	17.8	26%	4.9	256%	1.5	0.1	4.7
Muthoot Housing Finance	NA	NA	NA	NA	NA	NA	NA
Simple average of peers	90.3	26%	24.3	50%	8.6	2.2	21.4

Note: NA: Not available; (*) Data is on standalone basis, Numbers are rounded off, Source: Company reports, Rating Rationale, CRISIL MI&A

Size of the companies (FY23)

FY23	AUM (₹ billion)	YoY AUM growth	AUM growth (CAGR – FY19-23)	Disbursements (₹ billion)	YoY Disbursement growth	Disbursement growth (CAGR FY19-23)	Total income (₹ billion)	Profit after tax (₹ billion)	Total Net Worth (₹ billion)
Aadhar Housing Finance	172.2	17%	15%	59.0	48%	17%	20.4	5.4	37.0
Aavas Financiers	141.7	25%	24%	50.2	39%	17%	16.1	4.3	32.7
Home First Finance Company	72.0	34%	31%	30.1	48%	18%	8.0	2.3	18.2
SMFG India Home Finance	64.3	44%	20%	30.6	137%	20%	6.9	0.4	8.1
Aptus Value Housing Finance	67.4	30%	32%	24.0	46%	22%	11.3	5.0	33.4
Poonawalla Housing Finance Limited	62.9	24%	27%	25.9	31%	24%	7.2	1.2	12.1
Motilal Oswal Home Finance	38.4	10%	(3)%	10.1	57%	37%	5.3	1.4	11.5
Vastu Housing Finance	61.0	67%	46%	36.2	105%	48%	7.7	2.9	24.1
India Shelter Finance	43.6	42%	39%	19.6	52%	36%	6.1	1.6	12.4
Shubham Housing	31.1	30%	25%	17.0	75%	NA	4.5	0.9	12.4
Muthoot HomeFin	14.4	(2)%	(7)%	2.2	68%	(24)%	1.5	0.1	4.6

FY23	AUM (₹ billion)	YoY AUM growth	AUM growth (CAGR – FY19-23)	Disbursements (₹ billion)	YoY Disbursement growth	Disbursement growth (CAGR FY19-23)	Total income (₹ billion)	Profit after tax (₹ billion)	Total Net Worth (₹ billion)
Muthoot Housing Finance	15.2	14%	11%	4.8	56%	6%	2.2	0.3	2.6
Simple average of peers	**65.3**	**28%**	**18%**	**25.8**	**63%**	**20%**	**8.1**	**2.1**	**17.4**

Note: NA: Not available, Data is on consolidated basis, Numbers are rounded off, Source: Company reports, Rating Rationale, CRISIL MI&A

10.2 Higher share of salaried customers for Home First Finance Company, Muthoot HomeFin and Aadhar Housing Finance among peers compared below

Among the peers compared, Home First Finance Company, Muthoot HomeFin, and Aadhar Housing Finance have a comparatively higher percentage of salaried customers (in terms of overall AUM). Among peers, home loans make up more than 88% of Home First Finance Company's total AUM. As of Fiscal 2023, the equivalent percentages for Aadhar Housing Finance and Motilal Oswal Home Finance were 78% and 70%, respectively.

Shubham Housing Finance had the lowest average ticket size among the peers compared below.

AUM Split (By products and by income type)

AUM Split (FY23)	By products			By income Type		Average ticket size (In Rs. Mn)
	Home Loans	**LAP**	**Others^**	**Salaried**	**Self employed**	
Aadhar Housing Finance	78%	22%	-	59%	41%	0.92
Aavas Financiers	70%	30%	-	40%	60%	0.91
Home First Finance Company	88%	11%	-	70%	30%	1.11
SMFG India Home Finance	60%	34%	6%***	29%	71%	1.5-1.6#
Aptus Value Housing Finance	65%	-	35%*	29%	71%	1.00
Poonawalla Housing Finance Limited	65%	35%	-	33%	67%	1.00
Motilal Oswal Home Finance	70%	6%	24%**	50%	50%	NA
Vastu Housing Finance	51%	35%	14%	19%	81%	1.30
India Shelter Finance	57%	43%	-	30%	70%	1.04
Shubham Housing	71%	29%	-	52%	48%	0.7-0.8
Muthoot HomeFin	NA	NA	-	63%	37%	1.00
Muthoot Housing Finance	NA	NA	-	NA	NA	NA
Simple average of peers	**68%**	**27%**	**20%**	**43%**	**57%**	**1.00**

Note: (^) – Include Composite loans, corporate loans and other non-home loans, (*) – Others include – Quasi home loans, insurance loans, top up loans; (**) – Others include – construction finance, composite loans and others; (***) Others include Developer Finance; NA: Not available, (#) ATS of lap portfolio
Source: Company reports, Rating rationale, CRISIL MI&A

10.3 Lower concentration risk due to wide geographical presence for Aadhar Housing Finance

Among the peer set analyzed Aadhar Housing Finance has a presence in 20 states and UTs which is highest among the peers as of March 31, 2023 whereas Aptus Value Housing Finance has a presence in just 5 states. Consequently, the cumulative share of the top 5 states in the AUM of Aadhar Housing Finance, at 62%, is much lower than other players in the peer set. The single state portfolio concentration of more than 35% is exhibited by Aavas Financiers, Aptus Value Housing, Motilal Oswal Home Finance, and Muthoot HomeFin, indicating a greater reliance on single states.

Share of top 5 states/UTs in the AUM (March 2023)

States	Aadhar Housing Finance	Aavas Financiers	Home First Finance Company	SMFG India Home Finance	Aptus Value Housing Finance	Poonawalla Housing Finance	Motilal Oswal Home Finance	Vastu Housing Finance	India Shelter Finance	Shubham Housing	Muthoot Home Fin	Muthoot Housing Finance
Presence in number of states and UTs	20	13	13	15	5	19	12	14	15	12	16	11
Largest state	Uttar Pradesh	Rajasthan	Gujarat	Maharashtra	Tamil Nadu	Madhya Pradesh	Maharashtra	NA	Rajasthan	NA	Maharashtra	NA
Maharashtra	14.1%		14%	19%			65%				42%	
Uttar Pradesh	14.2%		5%	6%								
Madhya Pradesh	10.2%		5%	5%		approximately 15.5%	7%					
Gujarat	11.0%		33%	10%			9%				21%	
Rajasthan	12.5%	38%	6%	13%			5%				12%	
Tamil Nadu	8.2%		14%	7%	43%		5%					
Andhra Pradesh & Telangana	10%		5%	13%	49%		3%					
Karnataka	3.9%		8%	5%	8%		3%					
Delhi	2.2%		1%	11%			2%					
Haryana	2.0%			2%			1%					
Share of top 5 states and UTs	**62%**	**NA**	**74%**	**66%**	**100%**	**NA**	**91%**	**NA**	**NA**	**NA**	**NA**	**NA**

Note: NA: Not available; Source: Company Reports, Rating Rationale, CRISIL MI&A

10.4 Second highest return on equity for Aadhar Housing Finance among peers compared in Fiscal 2023

Aadhar Housing Finance reported second highest return on equity in FY23 at 15.9%, followed by Aavas Financiers (14.10%) and Home First Finance (13.50%). During the same period Aadhar Housing Finance also reported third lowest employee cost at 2.10% in FY23 among the peers compared.

Aadhar Housing Finance reported annualized yield on advance and return on equity at 14.2% and 18.4% respectively in nine months ended December 31, 2023. Home First Finance Company reported annualized yield on advance and return on equity at 13.8% and 15.4% respectively.

Financial ratios (Nine months ended December 31, 2023)

Nine months ended December 31, 2023	Yield on advances	Cost of borrowings	NIM	Opex	Employee expenses	Credit cost	RoA	Total Borrowings to Equity Ratio	Return on Equity ("RoE")
Aadhar Housing Finance	14.2%	7.6%	7.3%	3.3%	2.2%	0.3%	4.2%	3.1	18.4%
Aavas Financiers	NA	NA	NA	NA	NA	NA	NA	NA	NA
Home First Finance Company	13.8%	8.1%	6.6%	2.9%	1.9%	0.4%	3.8%	3.4	15.4%
SMFG India Home Finance	NA	NA	NA	NA	NA	NA	NA	NA	5.9%
Aptus Value Housing Finance	NA	8.9%	11.7%	2.5%	1.9%	0.3%	7.7%	1.2	17.0%
Poonawalla Housing Finance Limited	NA	NA	NA	NA	NA	NA	NA	NA	8.2%
Motilal Oswal Home Finance	NA	NA	NA	NA	NA	NA	NA	NA	11.3%
Vastu Housing Finance*	NA	NA	NA	NA	NA	NA	NA	NA	11.2%
India Shelter Finance	NA	8.8%	7.5%	4.5%	3.4%	0.4%	4.5%	1.6	13.1%
Shubham Housing	NA	NA	NA	NA	NA	NA	NA	NA	NA
Muthoot HomeFin	NA	8.8%	6.4%	6.0%	3.6%	0.8%	1.2%	2.2	3.8%
Muthoot Housing Finance	NA	NA	NA	NA	NA	NA	NA	NA	NA
Simple average of peers	NM	8.4%	7.9%	3.8%	2.6%	0.4%	4.3%	2.3	11.6%

Note:1. Financial Ratios for all the peers are calculated based on consolidate number; (*) Ratios calculated on standalone basis, NA- Not available, NM – Not meaningful
2 Yield on advance has been calculated as interest income from loan and advances/average total assets (annualized)
3. Cost of borrowing has been calculated as interest expense /average of deposits and borrowings (annualized)
4. NIM has been calculated as Interest income-interest expense/average of total assets (annualized)
5. Opex has been calculated as Opex /Average total assets (annualized)
6. Employee expense has been calculated as employee cost/average of total assets (annualized)
7.Credit cost has been calculated as credit cost/average of total assets (annualized)
8. Return on assets has been calculated as PAT/average of total assets (annualized)
9. Total Borrowings to Equity Ratio has been calculated as Total borrowings / total equity
10. Return on equity has been calculated as PAT/average of shareholders equity (annualized)

Source: Company reports, CRISIL MI&A

Financial Ratios (FY23)

FY23	Yield on advances	Cost of borrowings	NIM	Opex	Employee expenses	Credit Cost	RoA	Total Borrowings to Equity Ratio	RoE
Aadhar Housing Finance	13.0%	7.0%	6.3%	3.1%	2.1%	0.3%	3.5%	3.3	15.9%
Aavas Financiers	12.6%	6.6%	6.5%	3.8%	2.5%	0.1%	3.5%	3.0	14.1%
Home First Finance Company	13.3%	7.3%	7.1%	2.9%	1.8%	0.4%	3.9%	2.6	13.5%
SMFG India Home Finance	12.6%	8.2%	5.2%	4.5%	2.7%	0.6%	0.7%	6.2	5.4%
Aptus Value Housing Finance	17.7%	8.5%	12.2%	2.6%	1.9%	0.5%	7.8%	1.1	16.1%
Poonawalla Housing Finance Limited	12.9%	7.2%	6.9%	4.7%	3.3%	0.7%	2.2%	3.8	10.1%
Motilal Oswal Home Finance	14.2%	8.0%	7.5%	3.0%	2.3%	0.5%	3.4%	2.5	12.7%
Vastu Housing Finance	14.4%	6.8%	8.5%	4.1%	3.2%	0.4%	5.4%	1.4	12.6%
India Shelter Finance	14.9%	8.3%	7.8%	4.8%	3.6%	0.4%	4.1%	2.4	13.4%
Shubham Housing	15.6%	9.0%	8.6%	6.0%	4.4%	0.1%	3.2%	1.5	10.3%
Muthoot HomeFin	12.8%	8.3%	6.1%	4.8%	2.9%	1.8%	0.8%	1.4	2.3%
Muthoot Housing Finance	15.7%	9.3%	6.8%	5.2%	3.6%	-0.2%	1.7%	4.8	10.3%
Simple average of peers	**14.1%**	**7.9%**	**7.5%**	**4.1%**	**2.8%**	**0.5%**	**3.4%**	**2.8**	**11.4%**

Note:1. Financial Ratios for all the peers are calculated based on consolidate number,
2 Yield on advance has been calculated as interest income from loan and advances/average total assets
3. Cost of borrowing has been calculated as interest expense /average of deposits and borrowings
4. NIM has been calculated as Interest income-interest expense/average of total assets
5. Opex has been calculated as Opex /Average total assets
6. Employee expense has been calculated as employee cost/average of total assets
7.Credit cost has been calculated as credit cost/average of total assets
8. Return on assets has been calculated as PAT/average of total assets
9. Total Borrowings to Equity Ratio has been calculated as Total borrowings / total equity
10. Return on equity has been calculated as PAT/average of shareholders equity
Source: Company reports, CRISIL MI&A

10.5 Highest branch count for Aadhar Housing Finance amongst peers compared in Fiscal 2023 and nine months ended December 31, 2023

Aadhar Housing Finance had 498 branches and 3,885 employees in nine months ended December 31,2023. As per the peer set analyzed, Aadhar Housing Finance had the highest branch count at 479 and second highest number of employees (3,663) after Aavas Financiers (6,034) in Fiscal 2023.

Reach of various entities

Nine months ended December 31, 2023	Total number of branches	Number of employees
Aadhar Housing Finance	498	3,885
Aavas Financiers	351	NA
Home First Finance Company	123	1,236
SMFG India Home Finance	149	2,675
Aptus Value Housing Finance	262	2,923
Poonawalla Housing Finance Limited	NA	NA
Motilal Oswal Home Finance	111	NA
Vastu Housing Finance	NA	NA
India Shelter Finance	215	3,139
Shubham Housing	147	NA
Muthoot HomeFin	122	569
Muthoot Housing Finance	NA	NA
Simple average of peers	229	2,405

Note: NA: Not available, Source: Company reports, Rating Rationale, CRISIL MI&A

FY23	Total number of branches	Number of employees
Aadhar Housing Finance	479	3,663
Aavas Financiers	346	6,034
Home First Finance Company	111	993
SMFG India Home Finance	125	2,106
Aptus Value Housing Finance	231	2,405
Poonawalla Housing Finance Limited	182	2,637
Motilal Oswal Home Finance	109	1,648
Vastu Housing Finance	179	3,659

FY23	Total number of branches	Number of employees
India Shelter Finance	183	2,709
Shubham Housing	137	2,465
Muthoot HomeFin	108	346
Muthoot Housing Finance	NA	NA
Simple average of peers	**198**	**2,513**

Source: Company reports, Rating Rationale, CRISIL MI&A

10.6 Highest number of live accounts for Aadhar Housing Finance amongst peers compared in Fiscal 2023

According to the peer set analyzed, Aadhar Housing Finance had the highest number of live accounts in Fiscal 2023. It had an average loan to value at 58% in Fiscal 2023.

Customer base of players

FY23	Live accounts / customers	Loan to value
Aadhar Housing Finance	Over 2,33,000	58%
Aavas Financiers	NA	54%
Home First Finance Company	77,512	56%
SMFG India Home Finance	Over 38,000	NA
Aptus Value Housing Finance	107,146	50%
Poonawalla Housing Finance Limited	Over 60,000	50-60%
Motilal Oswal Home Finance	NA	57%
Vastu Housing Finance	40,284	45%
India Shelter Finance	Over 60,000	51%
Shubham Housing	Over 65,000	NA
Muthoot HomeFin	21,223	60%
Muthoot Housing Finance	NA	NA
Simple average of peers	**52,276**	**54%**

Source: NA: Not available, Company reports, Rating Rationale, CRISIL MI&A

10.7 Aadhar Housing Finance has second highest AUM per employee among peers in Fiscal 2023

Aadhar Housing Finance reported second highest AUM / Employee ratio (₹ 47 million) after Home First Finance Company (₹ 72.5 million) in Fiscal 2023. Aadhar Housing Finance also registered second highest disbursement per employee (₹ 16.1 million) after Home First Finance Company (₹ 30.3 million) in Fiscal 2023. Aadhar Housing Finance also reported second highest total income per employee at 5.6 million trailing only Home First Finance Company (8.0 million).

Aptus Value Housing Finance reported lowest cost to income ratio at 19% in Fiscal 2023 amongst peers followed by Vastu Housing Finance and Home First Finance Company at 36% each in Fiscal 2023.

In the nine months ended December 31, 2023, Aadhar Housing Finance reported AUM / Branch and AUM / Employee at ₹ 398.9 million and ₹ 51.1 million respectively. Home First Finance Company reported AUM / Branch and AUM / Employee at ₹ 732.8 million and ₹ 72.9 million respectively during the same period.

Operational Productivity

Nine months ended December 31, 2023 (In ₹ Mn)	AUM / branch	AUM / Employee	Disbursement / branch	Disbursement / Employee	Total income / branch	Total income / Employee	Cost to Income ratio
Aadhar Housing Finance	398.9	51.1	98.5	12.6	50.7	6.5	36%
Aavas Financiers	458.1	NA	105.1	NA	56.0	NA	46%
Home First Finance Company	732.8	72.9	232.6	23.2	90.9	9.0	36%
SMFG India Home Finance	538.9	30.0	194.0	10.8	62.3	3.5	77%
Aptus Value Housing Finance	308.1	27.6	82.4	7.4	52.0	4.7	20%
Poonawalla Housing Finance Limited	NA	NA	NA	NA	NA	NA	62%
Motilal Oswal Home Finance	340.5	NA	48.5	NA	52.1	NA	43%
Vastu Housing Finance	NA	NA	NA	NA	NA	NA	39%
India Shelter Finance	260.9	17.9	88.3	6.0	38.3	2.6	42%
Shubham Housing	277.6	NA	118.4	NA	NA	NA	NA
Muthoot HomeFin	146.2	31.3	40.4	8.7	16.1	3.4	70%
Muthoot Housing Finance	NA	NA	NA	NA	NA	NA	NA
Simple average of peers	384.7	38.5	112.0	11.5	52.3	5.0	48%

Note: NA: Not available, Data is on consolidated basis, Total Income per branch and Total Income per Employee is annualized, Source: Company reports, Rating Rationale, CRISIL MI&A

FY23 (In ₹ Mn)	AUM / branch	AUM / Employee	Disbursement / branch	Disbursement / Employee	Total income / branch	Total income / Employee	Cost to Income ratio
Aadhar Housing Finance	359.6	47.0	123.2	16.1	42.7	5.6	38%
Aavas Financiers	409.4	23.5	145.2	8.3	46.5	2.7	45%
Home First Finance Company	648.5	72.5	271.4	30.3	71.7	8.0	36%
SMFG India Home Finance	514.2	30.5	244.4	14.5	54.9	3.3	74%
Aptus Value Housing Finance	291.7	28.0	103.7	10.0	48.9	4.7	19%
Poonawalla Housing Finance Limited	345.5	23.8	142.0	9.8	39.3	2.7	56%
Motilal Oswal Home Finance	351.8	23.3	92.4	6.1	48.8	3.2	38%
Vastu Housing Finance	340.6	16.7	202.0	9.9	42.9	2.1	36%
India Shelter Finance	238.2	16.1	107.3	7.3	33.1	2.2	45%
Shubham Housing	227.3	12.6	124.3	6.9	33.1	1.8	59%
Muthoot HomeFin	133.2	41.6	20.7	6.5	14.3	4.5	62%
Muthoot Housing Finance	NA	NA	NA	NA	NA	NA	71%
Simple average of peers	**350.9**	**30.5**	**143.3**	**11.4**	**43.3**	**3.7**	**48%**

Source: NA: Not available, Data is on consolidated basis, Company reports, Rating Rationale, CRISIL MI&A

10.8 Aavas Financiers, Shubham Housing and Aadhar Housing Finance have lowest credit cost as of Fiscal 2023

Aavas Financiers has the lowest credit cost (0.10%), followed by Shubham Housing (0.15%) and Aadhar Housing Finance (0.32%), as of March 2023. Poonawalla Housing Finance Limited has the lowest GNPA ratio (0.7%), followed by Muthoot Housing Finance (0.8%), as of March 2023. As of FY23, Aadhar Housing Finance has collection efficiency of 101%.

Aptus Value Housing Finance has the highest capital adequacy ratio of 77.38%, followed by Vastu Housing Finance (67.62%), Muthoot HomeFin (62.91%) in FY23.

Aadhar Housing Finance reported GNPA and NNPA levels for nine months ended December 31, 2023 at 1.4% and 0.9% respectively. It reported capital adequacy ratio of 39.70% during the same period.

Capitalization and asset quality (Nine months ended December 31, 2023)

Nine months ended December 31, 2023	GNPA	NNPA	1 Year lagged GNPA	2 Year lagged GNPA	Credit cost	Capital Adequacy ratio	Tier 1 Capital	Collection efficiency
Aadhar Housing Finance	1.4%	0.9%	1.7%	2.0%	0.3%	39.70%	39.00%	100.1%
Aavas Financiers	1.1%	NA	1.3%	1.7%	NA	45.01%	44.80%	NA
Home First Finance Company	1.7%	1.2%	2.3%	3.2%	0.4%	40.90%	40.50%	98.7%
SMFG India Home Finance	NA	NA	NA	NA	NA	19.50%	NA	98.9%
Aptus Value Housing Finance	NA	0.9%	NA	NA	0.3%	70.45%	NA	99.7%
Poonawalla Housing Finance Limited	NA	NA	NA	NA	NA	40.34%	NA	NA
Motilal Oswal Home Finance	NA	NA	NA	NA	NA	47.52%	NA	101.3%
Vastu Housing Finance	NA	NA	NA	NA	NA	NA	NA	NA
India Shelter Finance	NA	NA	NA	NA	NA	72.30%	NA	99.1%
Shubham Housing	NA	NA	NA	NA	NA	NA	NA	NA
Muthoot HomeFin	3.5%	1.5%	5.0%	NA	0.8%	43.00%	NA	NA
Muthoot Housing Finance	NA	NA	NA	NA	NA	NA	NA	NA
Simple average of peers	1.75%	1.10%	2.42%	2.52%	0.45%	46.52%	41.43%	99.6%

Note: NA: Not available, Data is on consolidated basis, Source: Company reports, Rating Rationale, CRISIL MI&A

Capitalization and asset quality (FY23)

FY23	GNPA	Average GNPA for past 3 Years	NNPA	1 Year lagged GNPA	2 Year lagged GNPA	Credit cost	Capital Adequacy ratio	Tier 1 Capital	Collection efficiency
Aadhar Housing Finance	1.2%	1.3%	0.8%	1.3%	1.5%	0.32%	42.73%	41.66%	101.0%
Aavas Financiers	0.9%	1.0%	0.7%	1.2%	1.4%	0.10%	46.96%	46.66%	NA
Home First Finance Company	1.6%	1.9%	1.1%	2.2%	2.9%	0.36%	49.38%	48.90%	99.3%
SMFG India Home Finance	3.8%	5.3%	2.4%	5.4%	5.8%	0.59%	22.30%	15.80%	99.0%
Aptus Value Housing Finance	1.2%	1.0%	0.9%	1.5%	1.9%	0.5%	77.38%	76.60%	100.0%
Poonawalla Housing Finance Limited	0.7%	1.0%	0.3%	0.9%	1.3%	0.70%	34.83%	32.60%	98.8%
Motilal Oswal Home Finance	1.1%	1.6%	0.6%	1.2%	1.2%	0.48%	50.94%	49.81%	100.1%
Vastu Housing Finance	0.9%	0.9%	0.6%	1.5%	2.0%	0.38%	67.62%	67.08%	NA
India Shelter Finance	1.1%	1.7%	0.9%	1.6%	2.1%	0.37%	52.66%	51.93%	104.0%
Shubham Housing	1.8%	2.5%	1.3%	2.4%	2.8%	0.15%	61.34%	NA	NA
Muthoot HomeFin	4.0%	3.9%	1.4%	4.1%	3.1%	1.76%	62.91%	61.82%	NA
Muthoot Housing Finance	0.8%	2.9%	0.3%	1.0%	1.1%	-0.16%	31.23%	30.94%	NA

FY23	GNPA	Average GNPA for past 3 Years	NNPA	1 Year lagged GNPA	2 Year lagged GNPA	Credit cost	Capital Adequacy ratio	Tier 1 Capital	Collection efficiency
Simple average of peers	**1.6%**	**2.1%**	**0.9%**	**2.0%**	**2.2%**	**0.45%**	**50.02%**	**47.62%**	100.3%

Note: NA: Not available, Data is on consolidated basis, Source: Company reports, Rating Rationale, CRISIL MI&A

Sector wise GNPA (% of NPA to total advances in that sector) (FY23)

FY23 (%)	Housing Loan		Non housing loans
	Individuals	Builder / Project loans	Individuals
Aadhar Housing Finance	1.08%	-	1.49%
Aavas Financiers	0.90%	-	0.97%
Home First Finance Company	1.73%	-	1.20%
SMFG India Home Finance	3.17%	-	5.35%
Aptus Value Housing Finance	0.96%	-	1.09%
Poonawalla Housing Finance Limited	0.70%	-	1.05%
Motilal Oswal Home Finance	1.11%	-	1.19%
Vastu Housing Finance	0.48%	-	1.00%
India Shelter Finance	0.96%	-	1.48%
Shubham Housing	1.58%	-	2.24%
Muthoot HomeFin	3.62%	-	0.39%
Muthoot Housing Finance	NA	NA	NA
Simple average of peers	**1.48%**	**-**	**1.59%**

Note: NA: Not available, Source: Company reports, CRISIL MI&A

Practice of Asset held for sale being included in the AUM

Aadhar Housing Finance	Yes
Aavas Financiers	No
Home First Finance Company	Yes
SMFG India Home Finance	NA
Aptus Value Housing Finance	Yes
Magma Housing Finance	No
Motilal Oswal Home Finance	No
Vastu Housing Finance	No
India Shelter Finance	Yes
Shubham Housing	No
Muthoot HomeFin	Yes
Muthoot Housing Finance	No

Source: Company reports, CRISIL MI&A

10.9 Aadhar Housing Finance reported second highest ALM Surplus in the after 12 months bucket among peers in FY2023

Amongst the peer set analyzed, Aavas Financiers has highest ALM surplus in the within 12 months bucket (₹ 17.2 billion) followed by Aadhar Housing Finance (₹ 6.1 billion). In the after 12 months bucket, Aadhar Housing Finance has the second highest ALM surplus at 30.8 million after Aptus Value Housing (31.9 million).

ALM position of various peers

FY23 (In ₹ Bn)	Assets		Liability		Net	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
Aadhar Housing Finance	36.4	129.8	30.2	99.0	6.1	30.8
Aavas Financiers	34.0	100.1	16.8	84.6	17.2	15.5
Home First Finance Company	14.4	53.0	11.6	37.6	2.8	15.4
SMFG India Home Finance	9.9	52.5	19.1	43.3	-9.2	9.2
Aptus Value Housing Finance	11.9	59.9	10.4	28.0	1.5	31.9
Poonawalla Housing Finance Limited	12.5	47.2	12.9	34.7	-0.4	12.5
Motilal Oswal Home Finance	6.8	34.7	8.7	21.5	-1.9	13.2
Vastu Housing Finance	14.8	50.1	15.7	25.1	-0.9	25.0
India Shelter Finance	11.3	31.7	7.8	22.8	3.5	8.9
Shubham Housing	3.2	29.6	7.5	12.8	-4.3	16.7
Muthoot HomeFin	2.7	9.5	2.0	5.5	0.6	3.9
Muthoot Housing Finance	3.0	13.4	3.2	10.3	-0.2	3.1
Simple average of peers	**13.4**	**51.0**	**12.2**	**35.4**	**1.2**	**15.5**

Note: Data is on consolidated basis, Source: Company reports, CRISIL MI&A

Short term and long terms credit ratings of peers

Nine months ended December 31, 2023	Short term credit rating	Long term credit rating
Aadhar Housing Finance	CRISIL A1+ (Jun 2023) ICRA A1+(Sept 2023)	IND AA (Sept 2023), ICRA AA (Sept 2023), CARE AA (Jul 2023), BWR AA (Sept 2023), CARE AA (Jan 2024), IND AA (Feb 2024)
Aavas Financiers	IND A1+ (Nov), CARE A1+ (Oct 2023), ICRA A1+ (Jan 2024), CARE A1+ (Jan 2024)	CARE AA (Oct 2023), ICRA AA (Jan 2024), CARE AA (Jan 2024)
Home First Finance Company	ICRA A1+ (Nov 2023), IND AA- (Feb 2024)	ICRA AA- (Nov 2023) , CARE AA- (Jul 2023), IND A+ (Feb 2024)
SMFG India Home Finance	CRISIL A1+ (Jul 2023), CARE A1+ (Dec 2023)	CRISIL AAA (Jul 2023), CARE AAA (Dec 2023)
Aptus Value Housing Finance	-	ICRA AA- (Dec 2023), CARE AA- (Jan 2024)
Poonawalla Housing Finance Limited	CRISIL A1+ (Aug 2023), IND A1+ (Nov 2023), ICRA A1+(Oct 2023), CARE A1+(Aug 2023), CRISIL A1+ (2024)	CRISIL AA+ (May 2023), CARE AA- (Aug 2023), CRISIL AA- (Jan 2024)
Motilal Oswal Home Finance	ICRA A1+ (Jul 2023), CRISIL A1+ (Dec 2023)	CRISIL AA (Dec 2023), IND AA (Sept 2023) ,ICRA AA (Jul 2023)
Vastu Housing Finance	ICRA A1+ (Aug 2023)	CRISIL A+ (Aug 2023), ICRA AA- (Aug 2023), CARE AA- (Oct 2023), CRISIL AA (Dec 2023),
India Shelter Finance	-	ICRA A+ (Oct 2023), CARE A+ (Aug 2023), ICRA A+ (Feb 2024), CARE A+ (Mar 2024)
Shubham Housing	ICRA A1 (Oct 2023),	IND A+ (Sept 2023), ICRA A (Oct 2023), IND A+ (Feb 2024)
Muthoot HomeFin	ICRA A1+ (May 2023), CARE A1+ (May 2023)	CRISIL AA+ (Sept 2023), CARE AA+ (May 2023)
Muthoot Housing Finance	-	CRISIL A+, (Oct-2023)

Source: Company reports, rating rationale, CRISIL MI&A

List of formulae

S no.	Parameters	Formula
1	RoA	Calculated as profit after tax (excluding other comprehensive income) for the relevant year or period as a percentage of average total assets as of such year or period.
2	RoE	Calculated as profit after tax (excluding other comprehensive income) for the relevant year or period as a percentage of average total net worth as of such year or period.
3	NIM	Represents net interest income (Interest income minus total interest expended) for the relevant year or period divided by average total assets as of the last day of such year or period.
4	Yield on advances	Calculated as interest income on loans and advances as a percentage of average loan outstanding as of such year or period.
5	Cost of borrowings	Calculated as overall interest paid on borrowings as a percentage of average borrowings of such year or period.
6	Total Borrowings to Total Equity Ratio	Defined as the borrowings (long plus short term) as a percentage of total net worth of year.
7.	Gross NPA	Gross non-performing assets calculated as stage 3 assets(gross)/ Gross carrying assets
8.	Net NPA	Net non-performing assets calculated as stage 3 assets (Net) / Net carrying assets

OUR BUSINESS

The financial and other operational data in this section is taken from our Restated Consolidated Financial Information, accounting records and MIS, except as otherwise specified. Our Restated Consolidated Financial Information have been prepared and presented in accordance with Ind AS, as applicable to the Company, restated in accordance with the SEBI requirements. References herein to "we", "our" and "us" are to Aadhar Housing.

The discussion below may contain forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth under "Risk Factors" on page 24 of this Red Herring Prospectus, "Management's Discussion and Analysis of Financial Results" on page 335 of this Red Herring Prospectus, and those set forth elsewhere in this Red Herring Prospectus.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report on 'Industry report on housing finance focused on low income housing segment', April 2024, prepared and issued by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited (together with CRISIL MI&A, "**CRISIL**") ("**CRISIL Report**") (available at https://aadharhousing.com/investor-relations/offer-documents) exclusively commissioned and paid for by us in connection with the Offer for an agreed fee pursuant to an engagement letter dated November 20, 2023, entered into with CRISIL Limited. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

The term "Aadhar" used in the name of the issuer, "Aadhar Housing Finance Limited" has no relation or connection with the Government of India or Unique Identification Authority of India's "Aadhaar" and should not be confused with the same.

Overview

According to CRISIL, we are a HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India and we had the highest AUM and net worth among our analyzed peers in FY2021, FY2022, FY2023 and nine months ended December 31, 2022 and December 31, 2023. In addition, according to the peer set analyzed by CRISIL, we had the highest number of live accounts in FY2023 (*Source: CRISIL Report*). In addition, we have a presence in 20 states and union territories, which is the highest among the peers analyzed by CRISIL as of March 31, 2023 (*Source: CRISIL Report*).

We are a retail-focused HFC focused on the low income housing segment, serving economically weaker and low-to-middle income customers, who require small ticket mortgage loans. The average ticket size of our loans was ₹0.9 million and ₹1.0 million with an average loan-to-value of 57.7% and 58.3%, as of December 31, 2022 and December 31, 2023, respectively. The following table sets forth the breakdown of our Gross AUM by occupation as of the periods indicated:

(₹ in million, except percentages)

Occupation	As of									
	March 31, 2021		March 31, 2022		March 31, 2023		December 31, 2022		December 31, 2023	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
Salaried	85,093.3	63.8%	90,891.1	61.5%	100,933.2	58.6%	98,490.7	59.5%	113,686.1	57.2%
Self Employed	48,177.7	36.2%	56,886.8	38.5%	71,295.1	41.4%	67,173.9	40.5%	84,965.5	42.8%
Total	**133,271.0**	**100.0%**	**147,777.9**	**100.0%**	**172,228.3**	**100.0%**	**165,664.6**	**100.0%**	**198,651.6**	**100.0%**

We offer a range of mortgage-related loan products, including loans for residential property purchase and construction; home improvement and extension loans; and loans for commercial property construction and acquisition. Our financial performance has remained consistent and resilient through various external events in the Indian economy. The following table sets forth our Gross AUM for the periods indicated:

(₹ in million)

	For the				
	FY 2021	FY 2022	FY 2023	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Gross AUM	133,271.0	147,777.9	172,228.3	165,664.6	198,651.6

We have made social objectives one of the core objectives of our business model. We operate a financially inclusive, customer centric lending business and believe that our business model contributes significantly to the economic uplift of our target customers by contributing to an improvement in their standard of living. In addition to our customer-facing social objectives, we have also implemented social objectives in aspects of our business. Our presence in urban and semi-urban locations across India provides a source of employment in these locations. *See "- Competitive Strengths - Social objectives are one of the core components of our business model*" on page 159.

We have an extensive network of 487 branches* including 109 sales offices, as of December 31, 2023. Our branches and sales offices spread across 20 states and union territories, operating in approximately 10,926 pin codes across India, as of December 31, 2023. Our branch and sales office network is widely dispersed with no state accounting for more than 14.0% in terms of Gross AUM as of December 31, 2023. We believe that our diversified reach is well positioned to meet the specific needs of our target customers across geographies, in urban and semi-urban areas. Further, as a result of our geographical spread, the top five states and union territories in terms of contribution to AUM collectively accounted for 62.0% of our AUM as of March 2023, and according to CRISIL, our cumulative share of the top 5 states in terms of AUM is much lower than other players in the peer set as of March 2023.

** The number of branches does not include regional offices and corporate offices.*

As of December 31, 2023, we have a total of 3,885 employees and Aadhar Sales and Services Private Limited ("**ASSPL**"), our 100% owned subsidiary has a total of 1,875 employees. ASSPL provides manpower services, arranges loans, deals in properties and other financial instruments and provides various other financial services. For further details, see *"History and Certain Corporate Matters – Our Subsidiary, Associates and Joint Ventures"* on page 194.

We have robust and comprehensive systems and processes for underwriting, collections and monitoring asset quality. These systems and processes are also technology enabled across our front office and back office with a view to ultimately digitize the entire life cycle of a loan from origination to closure. Loan applications from salaried-customers go through our regional processing unit ("**RPUs**"), increasing efficiency while those from self-employed customers, which require close understanding of the customer and their cash flows, are managed regionally. We also have an internally developed credit assessment model and have digitized monthly collections from customers to the extent possible to reduce processing and improve collection efficiency. We have migrated to a digital IT infrastructure with a view to reducing costs, carrying on real time analysis of customer data, improving our control and underwriting functions, while increasing customer reach and distribution capability. These measures will further improve our operational efficiency by improving processing times and productivity. For further details, see "*– Information Technology"* below on page 173.

We secure financing from a variety of sources including term loans and cash credit/ working capital facilities, proceeds from loans assigned, proceeds from the issuance of NCDs, refinancing from the NHB and subordinated debt borrowings from banks, mutual funds, insurance companies and other domestic, development financial institutions to meet our capital requirements. We follow a prudent borrowing strategy of not relying on short-term loans and as of March 31, 2021, March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023 98.2%, 99.3%, 100.0%, 100.0% and 100.0% of our Total Borrowings comprise long-term borrowings with a tenor of one year or more, respectively. As of March 31, 2021, March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023, our Total Borrowings were ₹103,744.7 million, ₹106,745.9 million, ₹121,534.5 million, ₹117,154.7 million and ₹131,275.9 million, respectively. Our average cost of borrowings has reduced from 8.2% as of March 31, 2021 to 7.6% as of December 31, 2023. As of December 31, 2023, the weighted average tenure of our outstanding borrowings, was 116 months. Further, as of December 31, 2023, our long-term rating from ICRA, CARE, India Ratings and Brickworks are "AA/Stable", our short-term borrowings are rated "A1+" by ICRA and our fixed deposits program is rated "AA/Stable" by CARE. In addition, our profit after tax before exceptional item grew at a CAGR of 28.8% between FY2021 and FY2023.

We have a strong, experienced and dedicated management team, with our senior management having an average of 25 years' experience in the financial services industry in India. Further, our board of directors is comprised of a balanced team of independent directors, qualified and experienced personnel, who have extensive knowledge and understanding of the housing finance and banking industries.

Since June 2019, BCP Topco, which is our Promoter, and is an affiliate of funds managed and/or advised by affiliates of Blackstone Group Inc (collectively "**Blackstone**"), currently holds 98.72% of our pre-Offer issued, subscribed and paid-up Equity Share capital. We benefit from the resources, relationships and expertise of Blackstone, one of the world's leading investment firms. Blackstone's asset management businesses include investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Through its different businesses, Blackstone had total assets under management of $1,040.2 billion as of December 31, 2023. Following our acquisition by BCP Topco, we have also strengthened our corporate governance framework, with the induction of three independent directors, one of whom serves as Non-Executive Chairman.

The following table sets forth certain key financial ratios for our Company as at/for the periods indicated:

(₹ in million, except percentages and numbers)

Sr. No.	Metrics	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Nine Months ended December 31, 2022	Nine Months ended December 31, 2023
1	Live Accounts (including assigned and co-lent loans)(1)	182,471	204,135	233,228	222,346	255,683
2	Number of branches and sales offices(2)	310	332	469	415	487
3	Average ticket size (3)	0.9	0.9	0.9	0.9	1.0

Sr. No.	Metrics	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Nine Months ended December 31, 2022	Nine Months ended December 31, 2023
4	Retail AUM [(4)]	133.252.2	147,766.9	172,228.3	165,664.6	1,98,651.6
5	Gross NPA to Retail AUM (%)[(5)]	1.1%	1.5%**	1.2%	1.8%	1.4%
6	Net Retail NPA to Retail AUM (%)[(6)]	0.7%	1.1%	0.8%	1.3%	1.0%
7	Net Worth[(7)]	26,927.6	31,466.3	36,976.0	35,556.8	42,491.0
8	Profit after tax before exceptional item[(8)]	3,401.3	4,448.5	5,643.3	4,040.6	5,478.8
9	Profit after tax	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
10	Return before exceptional item on Average Total Assets (%)[(9)]	2.6%	3.2%	3.6%	3.6%*	4.2%*
11	Return before exceptional item on Equity (%)[(10)]	13.5%	15.2%	16.5%	16.1*%	18.4%*
12	Debt to Total Equity ratio[(11)]	3.9	3.4	3.3	3.3	3.1
13	CRWAR (%) [(12)]	44.1%	45.4%	42.7%	44.9%	39.7%
14	Average yield on Gross Loan Book (%)[(13)]	13.2%	12.8%	12.8%	12.8%*	14.0%*
15	Average cost of Borrowing (%)[(14)]	8.2%	7.2%	7.0%	7.0%*	7.6%*
16	Net Interest Margin (%)[(15)]	5.8%	6.9%	8.0%	8.0%*	9.0%*
17	Cost to Income Ratio (%)[(16)]	35.8%	36.3%	38.1%	36.7%	36.2%

Notes:

(1) *Live Accounts (including assigned and co-lent loans):- Represent the aggregate number of loan accounts outstanding as of the end of the relevant year or period including loan accounts which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.*

(2) *Number of branches and sales offices:- Represents aggregate number of branches and sales offices (launched and opened in last quarter of FY2023) of our Company as of the last day of relevant period. The number of branches does not include regional offices and corporate offices.*

(3) *Average ticket size:- Represents the total sanctioned amount of the AUM of Live Accounts divided by those accounts.*

(4) *Retail AUM:- Represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by our Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of securitization or assignment or co-lending and are outstanding as of the last day of the relevant year or period.*

(5) *Gross NPA to Retail AUM:- Represents the ratio of our Gross NPA as of the last day or the relevant day or period to the Retail AUM as of the last day of the relevant year or period. See ** below for impact of RBI circular dated November 12, 2021 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications (the "**November 12 Circular**").*

(6) *Net Retail NPA to Retail AUM:- Represents the ratio of our Net Retail NPA as of the last day or the relevant day or period to the Retail AUM as of the last day of the relevant year or period. Net Retail NPA represents the closing balance of the Net NPA of our Retail AUM as of the last day of the relevant year or period. Net NPA equals total Gross Retail NPA less provision on the same.*

(7) *Net Worth:- Represents the aggregate of our equity share capital and other equity excluding capital reserve on amalgamation.*

(8) *Profit after tax before exceptional item:- Represents Profit After Tax for the relevant year or period before taking into account the exceptional item (net of tax impact). The table below sets forth the profit after tax before exceptional item in FY2023:*

		FY2023
		(₹ in million)
	Profit After Tax (A)	*5,447.6*
Add:	*Exceptional item (B)..........*	*250.0*
Less:	*Tax adjustment (C) ....*	*54.3*
	Profit after tax before exceptional item (D= A+B-C)	*5,643.3*

(9) *Return before exceptional item on Average Total Assets:- Calculated as the Profit After Tax before exceptional item for the relevant year or period as a percentage of Average Total Assets in such year or period. Average Assets is calculated as the simple average of our Assets as of the last day of the relevant year or period and our Assets as of the last day of the previous year or period.*

(10) *Return before exceptional item on Equity:- Calculated as the Profit After Tax before exceptional item for the relevant year or period as a percentage of average total equity in such year or period.*

(11) *Debt to Total Equity Ratio:- Represents the ratio of our Total Borrowings to our Total Equity as of the last day of the relevant year or period.*

(12) *CRWAR:- Represents the ratio of Tier I Capital and Tier II Capital to the Risk Weighted Assets for the relevant year or period.*

(13) *Average Yield on Gross Loan Book:- Represents the ratio of interest income on loans for a year or period to the average Gross Loan Book for the relevant year or period. Gross Loan Book represents housing and other loans. Gross Loan Book is the simple average of our Loan Book outstanding as of the last day of the relevant year or period and our Loan Book outstanding as of the last day of the previous year or period.*

(14) *Average cost of Borrowing:- Represents finance cost for the relevant year or period as a percentage of Average Borrowings in such year or period. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year or period and our Total Borrowings outstanding as of the last day of the previous year or period.*

(15) *Net Interest Margin: - Represents the ratio of our total income for a year or period, less finance costs for the year or period to the Average Total Assets for the year or period. Average Total Assets represents the simple average of total assets outstanding as of the last day of the relevant year or period and total assets outstanding as of the last day of the previous year or period.*

(16) *Cost to income ratio:- Represents the ratio of operating expenses for the relevant year or period divided by total income for the year or period, less finance costs for the year or period, expressed as a percentage.*

* *These financial data have been presented on an annualized basis in the following manner: reported figure multiplied by number of days in a FY divided by number of days in a year. The calculation does not take into account seasonality factors or any other factors which could impact period-on-period variations and may not reflect our actual performance for FY2023 and FY2024. The presentation of annualized financial data has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results. Annualized financial data are not standard measures under the Ind AS and should not be considered in isolation or construed as alternatives to net income/loss, cash flow or any other measure of financial performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Annualized financial data presented herein may not be comparable to similarly titled measures presented by other companies.*

** *For Gross NPA (%) as of March 31, 2023 and December 31, 2023, it includes loan assets of ₹70.5 million (less than 0.1% of our Retail AUM) and ₹59.1 million (less than 0.1% of our Retail AUM) not more than 90 days past due which have been classified as NPA as per the November 12 Circular, respectively.*

Following the November 12 Circular, we classified our Stage 3 assets of ₹ 1,069.1 million as of March 31, 2023 into:
(a) Stage 3a: ₹ 44.7 million loans not more than 90 days past due; and
(b) Stage 3b: ₹ 1,024.4 million loans more than 90 days past due.
We classified our Stage 3 assets of ₹ 1,454.8 million as of December 31, 2023 into:
(a) Stage 3a: ₹ 40.4million loans not more than 90 days past due; and
(b) Stage 3b: ₹ 1,414.4 million loans more than 90 days past due.
Our stage 3b loans are comparable to our NPA for the previous period/years and our stage 3a loans have been classified as a result of the November 12 Circular with effect from November 12, 2021. As a result of the reclassification of Stage 3 loans, our GNPAs as of March 31, 2023 and December 31, 2023 of ₹1,997.7 million (1.2% of our Retail AUM) and ₹2,778.5 million (1.4% of our Retail AUM), respectively includes loan assets of ₹ 70.5 million (less than 0.1% of our Retail AUM) and ₹59.1 million (less than 0.1% of our Retail AUM) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular. Our Own Book GNPA as of March 31, 2023 and December 31, 2023 of ₹ 1,625.9 million (1.2% of our Own Book) and ₹2,308.1 million (1.4% of our Own Book), respectively includes loan assets of ₹58.9 million (less than 0.1% of our Own Book) and ₹52.2 million (less than 0.1% of our Own Book) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular.
Our Retail GNPAs increased from ₹1,430.3 million (1.1% of our Retail AUM) as of March 31, 2021 to ₹2,143.5 million (1.5% of our Retail AUM) as of March 31, 2022, decreased to ₹1,997.7 million (1.2% of our Retail AUM) as of March 31, 2023 and increased to ₹2,778.5 million (1.4% of our Retail AUM) as of December 31, 2023, and our Own Book GNPA increased from ₹1,307.1 million (1.2% of our Own Book) as of March 31, 2021 to ₹1,825.7 million (1.5% of our Own Book) as of March 31, 2022, decreased to ₹1,625.9 million (1.2% of our Own Book) as of March 31, 2023 and increased to ₹2,308.1 million (1.4% of our Own Book) as of December 31, 2023.
See "Selected Statistical Information – Financial Ratios" on page 216 and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations - General Economic Conditions in India and the impact of the COVID-19 outbreak" on page 338.
For reconciliation of non-GAAP measures, see "Selected Statistical Information – Non-GAAP Reconciliations" on page 234.

For details of our corporate history, see "*History and Certain Corporate Matters*" on page 190.

Competitive Strengths

We believe that our position as a leading HFC focused on the low income housing segment is founded on the following competitive strengths:

- HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India with the highest AUM and net worth among our analyzed peers in Fiscal 2021, Fiscal 2022, Fiscal 2023 and nine months ended December 31, 2022 and December 31, 2023;
- Seasoned business model with strong resilience through business cycles
- Extensive branch and sales office network, geographical penetration and sales channels which contribute significantly to loan sourcing and servicing;
- Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality;
- Access to diversified and cost-effective long-term financing with a disciplined approach to asset liability and liquidity management;
- Social objectives are one of the core components of our business model; and
- Experienced, cycle-tested and professional management team with strong corporate governance.

HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India with the highest AUM and net worth among our analyzed peers in Fiscal 2021, Fiscal 2022, Fiscal 2023 and nine months ended December 31, 2022 and December 31, 2023

According to CRISIL, we are a HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India and we had the highest AUM and net worth among our analyzed peers in Fiscal 2021, Fiscal 2022, Fiscal 2023 and nine months ended December 31, 2023. Our Gross AUM increased from ₹133,271.0 million in FY2021 to ₹147,777.9 million in FY2022 and ₹172,228.3 million in FY2023. Our Gross AUM increased from ₹165,664.6 million as of December 31, 2022 to ₹198,651.6 million as of December 31, 2023, and grew at a CAGR of 17.3% between FY2021 to December 31, 2023. Our branch and sales office network is widely dispersed with no state accounting for more than 14.0% in terms of Gross AUM and the top two states accounting for 27.6% of our Gross AUM as of December 31, 2023. Our cumulative share of the top 5 states in terms of AUM is much lower than other players in the peer set as of March 2023 (*Source: CRISIL Report*). As of December 31, 2022 and December 31, 2023, no state accounted for more than 14.3% and 14.0% in terms of Gross AUM and the top two states accounted for 28.6% and 27.6% of our Gross AUM, respectively.

We believe that due to our scale and diversified reach, we are well positioned to meet the specific needs of our target customers across geographies, in urban and semi-urban areas. Housing financiers focused on low income housing segment typically serve the underserved category of low-income or mid-income customers who may be salaried, working in the informal sector or self-employed running a small business. (*Source: CRISIL Report*). This presents a unique opportunity for us to leverage our position as the leading HFC focused on the low income housing segment in terms of AUM and net worth to be the lender of choice for customers from this segment. Further, the low income housing segment also benefits from various government and regulator initiatives to promote the construction of affordable housing projects as well as enabling financing for the customers of such projects. The Government's PMAY scheme provided credit-linked subsidies to stimulate demand. Various other initiatives such as special financing window (for stalled housing projects), tax benefits to home loan borrowers and developers, the NHB refinancing schemes to help lower the cost of borrowing of HFCs and risk weight rationalization on housing loans to improve sentiment for the real estate sector have also been undertaken to act as an enabler to the segment. For further details, see

"*Industry Overview – Housing finance market focusing on low-income housing segment in India – Long-term growth drivers for housing finance"* on page 132.

Seasoned business model with strong resilience through business cycles

Through various business cycles, we have been able to leverage the (i) inherent strength of our customer centric business model, (ii) our extensive branch and sales office network, and (iii) the expertise of our professional management team, to maintain our status as the HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India with the highest AUM and net worth among our analyzed peers in Fiscal 2021, Fiscal 2022, Fiscal 2023 and nine months ended December 31, 2022 and December 31, 2023. *(Source: CRISIL Report)* Our financial performance has remained consistent and resilient through various external events in the Indian economy. During these periods, the Indian economy and the banking and finance industry in India were adversely impacted by various events such as demonetization and the introduction and roll out of a nationwide GST; defaults involving large non-bank finance companies; and the various waves of the COVID-19 pandemic. Our overall growth, performance of our portfolio, asset quality and continued profitability during these periods despite these negative events demonstrates the strengths of our business and our management team.

Our resilience in the low income housing segment is based on our customer centric business model, whereby we offer our products with practices and policies that are developed and implemented to address the specific issues faced in the low income housing segment and to address our customers' need to access funds, while ensuring robust credit, underwriting and collections policies. Our resilience in the low income housing segment is also based on our credit evaluation capabilities, which are distinguished by our credit underwriting, risk management and fraud detection teams that utilize an objective cognitive rule-based policy to make credit decisions and are supported by our internally developed a four-pronged credit assessment model. For further details of our products offerings and our systems and processes for underwriting, collections and monitoring asset quality, see "*– Our Business Operations – Our loan products*", "*– Our Strengths – Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality"* and "*– Credit Approval and Disbursement Processes*" on pages 163, 157 and 167, respectively. Our resilience is further supported by our management team which has an average experience of over 25 years in the financial services industry segment, which leads our Company with their cycle-tested insights and experience in products offering and the financial services industry, see "*– Competitive Strengths – Experienced, cycle-tested and professional management team with strong corporate governance*" on page 160 for further details.

Our diversified products offering allows us to cater to our retail customer base, comprising salaried and self-employed customers in both formal and informal segments. 58.6% and 57.2% of our customer base comprised salaried customers as of March 31, 2023 and December 31, 2023, respectively. Our mix of customers in both formal and informal segments enables us to be better positioned to remain resilient through business cycles, by serving both the salaried customers who are typically more resilient to economic cycles and the self-employed customers whose loans usually have a higher overall risk adjusted spread. The average ticket size of our loans has remained stable at ₹0.9 million from March 31, 2021 to March 31, 2023 and increased to ₹1.0 million as of December 31, 2023, with an average loan-to-value of 57.8% and 58.3%, as of March 31, 2023 and December 31, 2023, respectively. We believe that this is an attractive range for low income housing segment loans.

Our loan products are designed to meet the capital need of our target customers. Within the salaried customer segment, the formal segment (customers who have a documented monthly salary typically credited directly in their bank accounts) contributed 81.6% and 81.5% to our Gross AUM as of March 31, 2023 and December 31, 2023, respectively, while the remaining 18.4% and 18.5% of our Gross AUM as of the same periods is derived from the informal segment (customers that receive a monthly salary that is not supported by documentation and may be paid in cash). In the self-employed customer segment, 25.4% and 20.1% as of March 31, 2023 and December 31, 2023, respectively, of our customers belonged to the formal segment (customers that have income tax returns or bank accounts), and 74.6% and 79.9% as of the same periods belonged to the informal segment (customers that do not have formal income documentation).

The following table sets forth, for the period ends indicated, our Gross AUM:

(₹ in million)

Metric	As of the financial year ended March 31,			As of and for the nine months ended December 31,	
	2021	2022	2023	2022	2023
Gross AUM	133,271.0	147,777.9	172,228.3	165,664.6	198,651.6

The table below indicates the income-wise split of our number of customers as of the periods indicated:

Occupation	As of									
	March 31, 2021		March 31, 2022		March 31, 2023		December 31, 2022		December 31, 2023	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
Salaried	85,093.3	63.8%	90,891.1	61.5%	100,933.2	58.6%	98,490.7	59.5%	113,686.1	57.2%
Formal salaried	70,157.0	82.4%	74,278.8	81.7%	82,411.2	81.6%	79,891.9	81.1%	92,628.2	81.5%
Informal salaried	14,936.3	17.6%	16,612.3	18.3%	18,522.0	18.4%	18,598.8	18.9%	21,057.9	18.5%

Occupation	As of									
	March 31, 2021		March 31, 2022		March 31, 2023		December 31, 2022		December 31, 2023	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
Self Employed	48,177.7	36.2%	56,886.8	38.5%	71,295.1	41.4%	67,173.9	40.5%	84,965.5	42.8%
Formal self-employed	20,891.1	43.4%	19,583.9	34.4%	18,122.9	25.4%	18,731.7	27.9%	17,094.7	20.1%
Informal self-employed	27,286.6	56.6%	37,302.9	65.6%	53,172.2	74.6%	48,442.2	72.1%	67,870.8	79.9%
Total	**133,271.0**	**100.0%**	**147,777.9**	**100.0%**	**172,228.3**	**100.0%**	**165,664.6**	**100.0%**	**198,651.6**	**100.0%**

Further, we believe that an extensive branch and sales office network is essential for our growth and maintaining our leadership position in the low income housing finance segment. See "*– Extensive branch and sales office network, geographical penetration and sales channels which contribute significant to loan sourcing and servicing*" on page 156. We leverage our local presence to develop detailed local level knowledge of each micro market that we operate in. This allows us to identify and implement alternate means of credit checks and review fund sources for repayment of our loans. These steps coupled with our in-house technical and valuation teams allow us to identify local level opportunities to drive our business growth, while ensuring careful customer selection, timely loan approval disbursals and efficient real time monitoring of collections to limit our risk exposure.

For further details in relation to our cycle-tested management team, see *"– Our Strengths – Experienced, cycle-tested and professional management team with strong corporate governance"* on page 160.

Extensive branch and sales office network, geographical penetration and sales channels which contribute significantly to loan sourcing and servicing

We have a pan-India branch and sales office network. We believe that a comprehensive on-the-ground presence is essential for our success and growth in the low income housing finance segment. Since our establishment of sales offices in the last quarter of FY2023, as of March 31, 2023 and December 31, 2023, we had 469 and 487 branches (including 94 and 109 sales offices, respectively) across India covering 20 states and union territories of India, respectively. Our branch and sales office network is widely dispersed across various states and geographies with 56.3% and 55.9% of our branches and sales offices spread across five states and the remaining 43.7% and 44.1% spread across 15 states, as of March 31, 2023 and December 31, 2023, respectively. We have actively expanded our branch and sales office network and have increased the number of our branches (including sales offices) from 310 branches as of March 31, 2021 to 332 branches as of March 31, 2022 to 469 branches (including sales offices) as of March 31, 2023 and further to 487 branches (including sales offices) as of December 31, 2023. Our Gross AUM is spread across India with only 28.3% and 27.6% of our Gross AUM being contributed by the top two states as of March 31, 2023 and December 31, 2023, respectively. We also have regional and corporate offices that are not counted as branches. According to CRISIL, based on the home loans outstanding in the low income housing segment, the top 10 states and union territories account for approximately 79.0% of the market size in this segment as of December 2023.

We have modelled our branches to meet the local requirements of the location they are set up in. On a regional level, we have categorized branches as main and small branches which are hubs and we further penetrate deeper through micro or ultra-micro branches under the ambit of main or small branches. Usually we establish our presence in a new location with an ultra-micro branch based on the geography, potential and low delinquency trends, and once the ultra-micro branch becomes profitable, we upgrade it to a small or main branch to cater to a larger pool of customers.

Our sales offices (also known as deep impact branches) are opened in remote locations with an aim to cater to the housing needs of customers in tier 4 and tier 5 towns in India. We also engage local channel partners in various locations that complement our branch and sales office network and allow us to be present in and serve additional locations in India on top of our branch and sales office network with a team of sales personnel that includes sales managers and direct sales teams. To cater to the housing needs of customers in semi-urban areas and to expand our business presence in these areas, we have implemented a separate strategy tailored to the funding needs of customers in these locations. We formulated a separate product, Aadhar Gram Unnati ("**AGU**"), considering the local needs and challenges of our customers in such semi-urban markets. Our AGU product provides us with a platform to test the market demand in new geographies we wish to expand into, particularly semi-urban locations. Depending on market demand in such locations, we may then establish our business presence by setting up our branches to leverage on local demand. This allows us to cover a wider geographical area and increase customer access. See *"– Business – Our Branch and Sales Office Network"* on page 164 for further details.

Our scalable IT platform allows for seamless integration digital solutions across various aspects of our business, which enables us to set up our IT infrastructure when launching new branches and sales offices to optimize our operations in a new location. See "*– Information Technology*" on page 173 for further details.

Since 2018, to further our social objectives and with a view to lowering our cost of acquisition for new loans while continuing to widen our customer reach, we launched the 'Aadhar Mitra Program' through which we engage individuals as Aadhar Mitras, who direct customers to our DSTs in exchange for a referral fee. During FY2021, we launched a 'Mahila Aadhar Mitra Program' which catered to enrolling women as Aadhar Mitras. We also generate business through digital platforms such as digital lead aggregators under the 'Digital Aadhar Mitra' program website and social media platforms. See "– *Information Technology*" on page 173 for further details.

Our extensive presence across India through physical locations, sales personnel, digital and technology enabled solution and the Aadhar Mitra program positions us to be the lender of choice for low income housing segment loan products amongst our target customers.

Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality

We have implemented a robust and comprehensive credit assessment, risk management and collections framework to identify, monitor and manage risks inherent in our operations. We exclusively finance retail customers, a majority of whom are salaried individuals purchasing residential properties. We have also adopted an internal 'risk appetite statement' that sets out the aggregate level and types of risk we are willing to accept while achieving our business objectives. Under this policy we have adopted a benchmark for business decisions that are based on balancing risk and return and making the best use of our capital. We routinely monitor our performance against various qualitative and quantitative metrics under this policy, these include capital, profitability, asset quality, credit, operational, liquidity and compliance risk.

As of March 31, 2023 and December 31, 2023, our loan-to-value on Gross AUM on outstanding basis was 57.8% and 58.3% with a moderate level of loan-to-value ratios across various buckets at the time of the sanctioning of the loan (for further details, see "*Selected Statistical Information – Product Wise LTV On Gross AUM On Outstanding Basis (%)*" on page 229). As of December 31, 2023, all of our outstanding loans are secured in our favor by a mortgage over property or other security.

We have split our underwriting process such that underwriting for salaried customers is undertaken at our RPUs for quick turnaround and processing. For all other customer segments at the branch level we have specialized teams for credit underwriting, technical and legal due diligence and fraud control. We have an experienced team of credit managers across our branches to undertake credit assessment. Our well-defined systems and processes along with proper checks and balances enable credit approvals to be done by appropriate underwriting authority.

We have streamlined sanction, pre-disbursement and post disbursement processes on our IT platform, which cover the entire lifecycle of the customer from lead generation, credit underwriting, legal and technical processes to loan disbursement and monitoring and collections. Our in-house technical team comprises a team of civil engineers that is deployed to assess property valuation which enables us to make accurate valuations of the properties that we are financing. We have implemented digital solutions across our business to efficiently undertake various aspects of our business. Our credit underwriting, risk management and fraud detection teams utilize technology to process loan applications, analyze credit risks, identify fraud and utilize an objective cognitive rule-based policy to make credit decisions. Our analytics-backed platform shortens the turnaround time to process loan applications and to make credit decisions. See "– *Information Technology*" on page 173 for further details. The streamlined loan application process, coupled with improved accuracy with the assistance of our analytics-backed platform, allows us to effectively manage the inherent risks in our operations.

Overlaid on this is a governance framework which includes a risk management team and an internal audit team. We have assigned loan sanctioning authority at various levels of committees at the branch, region and head office levels by specifying pre-determined thresholds on the loan amounts depending on the branch type and product category. This decentralized approach reduces processing times while ensuring prudent risk allocation.

We have an in-house collections team to ensure timely collections. Further, between March to August 2020, pursuant to RBI's directions, we granted moratorium on payment of instalments in the period to all eligible customers who requested the moratorium. In this period, we continued to regularly engage with our customers to inform them about the features of the moratorium and other aspects relating to their loans. This continuous engagement led to gradual improvement in our quarterly collection efficiencies as specified in the table below:

	FY2021				FY2022				FY2023				Nine months ended December 31, 2023		
	Jun 2020	Sep 2020	Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022	Jun 2022	Sep 2022	Dec 2022	Mar 2023	Jun 2023	Sep 2023	Dec 2023
Collection Efficiency	66.7%	85.3%	96.7%	99.1%	93.6%	100.6%	99.0%	101.7%	97.4%	99.3%	99.5%	100.5%	98.5%	100.2%	99.1%

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Results of Operations - General Economic Conditions in India and the impact of the COVID-19 outbreak*" on page 338.

We manage delinquency by making this a joint responsibility of the sales, credit, risk and collections teams. This joint approach enables us to identify potential delinquencies in advance, put in place remedial measures and ensure smooth collections. We proactively handle and address delinquencies using a range of strategies to monitor such accounts and take active steps to recover dues. As the Indian economy was impacted by the COVID-19 pandemic and our overall business was impacted negatively with a slowdown both in our disbursements and collections, particularly during the second wave of COVID-19 during FY2021, we further refined our disbursements policy, with a view to minimizing delinquencies. For instance, we focused more on salaried customers and conducted additional due diligence on customers to assess the impact of COVID-19 on their employment. Such measures helped in the improvement of our collection efficiencies. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting our Results of Operations - General Economic Conditions in India and the impact of the COVID-19 outbreak*" on page 338.

Once a loan is classified as an NPA we use a combination of legal strategies including SARFAESI, arbitration or reconciliation camps to recover our dues. We believe that our effective credit risk management policies and framework is reflected in our portfolio quality indicators such as high repayment rates and low rates of GNPAs and NNPAs across business and economic cycles. As of March 31, 2021, March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023, our GNPAs accounted for 1.1%, 1.5%, 1.2%, 1.8% and 1.4% (as a result of the reclassification of Stage 3 loans in accordance with the November 12 Circular as discussed below), respectively, of our Retail AUM, while our Net Retail NPAs accounted for 0.7%, 1.1%, 0.8%, 1.3% and 1.0%, respectively, of our Retail AUM, respectively. For details, see "*Selected Statistical Information*" on page 215.

On November 12, 2021, the RBI issued the November 12 Circular which clarified that the classification of borrower accounts as special mention accounts or NPAs will be on a day-end position basis and accounts can only be upgraded from an NPA to a 'standard' asset after the clearance of all overdues (in other words, only if the entire arrears of interest and principal are paid by the borrower). Following the November 12 Circular, from a reporting perspective, we classified our Stage 3 assets into: (a) Stage 3a loans not more than 90 days past due and (b) Stage 3b loans more than 90 days past due. Our Stage 3b loans are comparable to our NPA for the previous period/years and our Stage 3a loans have been classified as a result of the November 12 Circular with effect from November 12, 2021. As a result of the reclassification of Stage 3 loans, our GNPAs as of March 31, 2022, March 31, 2023 and December 31, 2023 of ₹2,143.5 million (1.5% of our Retail AUM), ₹1,997.7 million (1.2% of our Retail AUM) and ₹2,778.5 million (1.4% of our Retail AUM), respectively, includes loan assets of ₹395.4 million (0.3% of our Retail AUM), ₹70.5 million (less than 0.1% of our Retail AUM) and ₹59.1 million (less than 0.1% of our Retail AUM) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular, respectively. Our Own Book GNPA as of March 31, 2022, March 31, 2023 and December 31, 2023 of ₹1,825.7 million (1.5% of our Own Book AUM), ₹1,625.9 million (1.2% of Own Book AUM) and ₹2,308.1 million (1.4% of our Own Book AUM), respectively, includes loan assets of ₹328.1 million (0.3% of our Own Book AUM), ₹58.9 million (less than 0.1% of our Own Book AUM) and ₹52.2 million (less than 0.1% of our Own Book AUM) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular, respectively.

Access to diversified and cost-effective long-term financing with a disciplined approach to asset liability and liquidity management

Our treasury department is responsible for ensuring that our capital requirements are met alongside asset liability management, managing the cost of our borrowings, liquidity management and control, diversifying fund raising sources, and investing surplus funds in accordance with the criteria set forth in our investment policy. Over the years, we have secured financing from a variety of sources including term loans; proceeds from loans assigned; proceeds from the issuance of NCDs; refinancing from the NHB; and subordinated debt borrowings from banks, mutual funds, insurance companies and other domestic and foreign financial and development finance institutions to meet our capital requirements. We assign loans through direct assignment to banks and financial institutions, which enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. As of December 31, 2023, we had borrowing relationships with the NHB, 23 banks, nine mutual funds, three insurance companies, one development finance institution and one NBFC (that have invested in our NCDs).

The diverse sources of fund allow us to maintain more cost-effective long-term financing. The following table sets forth, for the period ends indicated, a breakdown of our tenure and weighted average tenure of funds:

Particulars	**As of**				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Composition of Total Borrowings					
Percentage of short-term borrowings(1)	1.8%	0.7%	0.0%#	-	-
Percentage of long-term borrowings(2)	98.2%	99.3%	100.0%	100.0%	100.0%
Weighted average tenure of outstanding borrowings (including securitization and assignment)(3)	104 months	105 months	107 months	107 months	116 months

Note:
 # Less than 0.1%
(1) Short term borrowing means all borrowing with original repayment tenure in 1 year.
(2) Long term borrowing means all borrowings with original repayment tenure of more than 1 year.
(3) Weighted average tenure of borrowings represents the simple average of the number of months until principal amount is due, weighted by the principal amount outstanding as of the last day of relevant period or year.

The following table sets forth details of the sanctions received from the NHB for additional facilities, along with the respective draw downs:

Date of Sanction Letter	Amount of Sanctioned Loan	Draw Down Date	Draw Down Amount
December 2020	₹10.0 billion	February 2021	₹5.0 billion
		June 2021	₹2.5 billion
		September 2021	₹1.0 billion
		October 2021	₹1.5 billion
December 2021	₹12.5 billion	December 2021	₹2.5 billion
		March 2022	₹5.0 billion
		May 2022	₹2.5 billion
		July 2022	₹1.0 billion
		September 2022	₹1.5 billion
October 2022	₹15.0 billion	November 2022	₹3.5 billion
		March 2023	₹3.5 billion
		April 2023	₹4.0 billion
		June 2023	₹4.0 billion
October 2023	₹10.0 billion	December 2023	₹3.0 billion
		February 2024	₹3.0 billion

See also "*Selected Statistical Information – Sources of Funds*" on page 226.

Our average cost of borrowings reduced from 8.2% in FY2021 to 7.2% in FY2022, 7.0% for nine months ended December 31, 2022, 7.0% in FY2023 and increased slightly to 7.6% for nine months ended December 31, 2023. Our cost of funds depend on external factors, such as developments in the Indian credit markets and interest rate movements, and internal factors such as our credit ratings and available credit limits. For further details on our credit ratings, see "- *Our Business Operations – Credit Ratings*" on page 170. We maintain a balance of cash and liquid investments, in addition to undrawn commitments under our various facilities to provide us with liquidity to combat any unforeseen market event. As of December 31, 2022 and December 31, 2023, we had cash and bank balances (comprising cash and cash equivalents and other bank balances) of ₹16,718.3 million and ₹12,217.5 million and undrawn facilities of ₹18,770.0 million and ₹20,160.0 million, respectively. We aim to ensure that we maintain sufficient liquidity to meet all our repayment obligations and working capital requirements and funding for fresh disbursements. Based on the prevailing economic conditions, we adjust our liquidity levels, as required. For instance, in order to mitigate the impact of the COVID-19 pandemic, we had initially increased our liquidity levels on account of the uncertain economic environment – the average liquidity that we maintained for FY2021 was ₹ 26,731.0 million. After we considered that COVID-19 did not result in any stress on the liquidity available in the financial system, we subsequently reduced the overall liquidity that we were carrying to an average of ₹24,191.8 million for FY2022, ₹22,213.1 million for FY2023 and ₹20,355.0 million for nine months ended December 31, 2023.

In addition, we also have in place effective asset liability management strategies. We aim to ensure that we do not have any cumulative asset/liability mismatches. As of March 31, 2021, March 31, 2022, March 31, 2023 and December 31, 2023, we have positive asset-liability mismatch across all the maturity buckets. For further details in relation to our asset-liability mismatch, see "*Selected Statistical Information – Asset Liability Mismatch*" beginning on page 227. This allows us to better meet the growing loan demands of our rapidly increasing customer base, even if external borrowings and funding sources face temporary realignment.

Social objectives are one of the core components of our business model

We have adopted and implemented a social objective across all aspects of our business. We believe these social objectives are a key strength and differentiator for our business. We operate a financially inclusive customer centric lending business and believe that our business model contributes significantly to the economic uplift of our target customers by contributing to an improvement in their standard of living. As of March 31, 2023 and December 31, 2023, ₹130,496.9 million or 75.8% and ₹144,880.4 million or 72.9% of our Gross AUM and 87.1% and 85.5% of our live accounts was from customers who belonged to the economically weaker and low income group, earning less than ₹50,000 per month, respectively. Many of our loans are provided under the various affordable housing schemes promoted by the Government of India, such as the Pradhan Mantri Awas Yojana, which benefits economically weaker segment, low income group and medium income group citizens in urban and semi-urban areas. These loans constitute 23.7% of our live accounts and ₹39,128.4 million or 19.7% of our Gross AUM as of December 31, 2023.

In addition to our customer-facing social objectives, we have also implemented social initiatives in other aspects of our business. Our presence in urban and semi-urban locations across India results in us providing employment opportunities for people in these locations. For example, in 2018, we launched a sales channel called 'Aadhar Mitra'. Aadhar Mitras are people in non-allied industries (for example, hardware owners, property brokers and building material suppliers) who act as lead providers to our sales teams. We have enrolled 12,451 Aadhar Mitras as of December 31, 2023 and provide these people with an alternate source of income (i.e., referral fees for referring loans that are paid out on disbursements to customers sourced by them).

Through the provision of loans for purchase of homes to a customer segment that is not serviced by the mainstream financial services sector and our employment of personnel in urban and semi-urban locations across India, we believe we are fulfilling an important social objective of economic uplift for these segments of the Indian economy.

For further details in relation to our corporate social responsibility initiatives, see "– *Our Business Operations – Corporate Social Responsibility*" on page 177.

Experienced, cycle-tested and professional management team with strong corporate governance

Our board of directors is comprised of qualified and experienced personnel, who have extensive knowledge and understanding of the banking and finance industry. Our Managing Director and Chief Executive Officer has over 27 years of experience and our Chief Financial Officer has over 25 years of experience in the financial services industry. Further, the Non-Executive Chairman of our Board is an Independent Director. Our independent directors include our Non-Executive Chairman Om Prakash Bhatt (ex-chairman of the State Bank Group, and currently on the board of directors of Tata Motors Limited and Tata Consultancy Services Limited, etc.), Nivedita Haran (Retired as the Additional Chief Secretary, Department of Home Affairs, Government of Kerala) and Sharmila A. Karve (previously associated with Price Water House as a partner). For further information, see "*Our Management*" beginning on page 196.

In addition, we have a strong and experienced management team comprising sixteen members. Our management team brings a diverse array of backgrounds, with a mix of professionals from the financial services industry. We believe that the diversity and experience of our management gives us the strength to formulate and execute a broad array of strategies, dealing with a wide spectrum of product and customer segments and successfully navigating a wide range of risks inherent in the financial services industry.

Since June 2019, BCP Topco, which is in turn an affiliate of funds managed by Blackstone, is our Promoter and currently holds 98.72% of our pre-Offer issued, subscribed and paid-up Equity Share capital. We benefit from the resources, relationships and expertise of Blackstone, one of the world's leading investment firms. Blackstone's asset management businesses include investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Through its different businesses, Blackstone had total assets under management of $1,040.2 billion as of December 31, 2023. Following our acquisition by Blackstone, we implemented a corporate governance framework, with the induction of three independent directors, one of whom serves as Non-Executive Chairman.

For further details in relation to the demonstration of the strength of our business and our management team, see *"-Competitive Strengths – Seasoned business model with strong resilience through business cycles"* on page 155.

Our Strategy

Expand our Distribution Network to Achieve Deeper Penetration in key states

We have a comprehensive pan-India presence covering our target customers. With increased urbanization across India, we believe that the continuing expansion of our physical and digital presence across India will be a key enabler for our growth. We believe that our current operating model is scalable, which will assist us in expanding our operations with lower incremental costs to drive efficiency and profitability.

Our branch expansion is done in a calibrated and systematic manner. We review a number of factors including demographics and competitive landscape before establishing a branch. We have modelled our branches into categories to manage costs and risks while expanding our presence. To drive our geographical expansion, we employ our AGU product which allows us to test the market demand in new geographies, particularly semi-urban locations, after which we set up the branches that commensurate with the local demand. We also have sales offices (also known as deep impact branches) that are opened in remote locations with a limited number of officers and we provide small office space for customer meetings and collection of documentation at these sales offices. We have ultra-micro and micro branches that are minimally staffed but have the ability to source customers for certain locations. For other locations we have small branches and main branches to provide higher levels of disbursements and cater to a larger pool of customers. This approach allows us to gauge the potential of a particular location without incurring the costs of opening a branch location and provides the flexibility of expanding from sales offices to ultra-micro branches and further to small or main branches where there is a business potential for expansion. We are constantly evaluating locations using the above criteria and expect to continue to add branches to grow out network in the near term.

Continue to focus on our target customers and grow our customer base

In FY2023, our customers reached 233,000 accounts and we have more than 255,000 Live Accounts as of December 31, 2023. The majority of our customers are from the economically weaker and low-to-middle income segment of the Indian economy. As of March 31, 2023 and December 31, 2023, 58.6% and 57.2% of our customers are salaried individuals and 41.4% and 42.8% are self-employed individuals, respectively. Majority of the household shortage is for LIG and EWS with a small proportion of shortage (5.0-7.0%) of the shortage coming from MIG or above. *(Source: CRISIL Report)* Further, mortgage penetration in India is far lower than other emerging economies owing to lower per capital income and higher proportion of informal employment in India. *(Source: CRISIL Report)* However, CRISIL believes that rising urbanization, growing disposal income, favorable demographics and government measures will lead to higher mortgage penetration going forward. We intend to focus on growing our share of the low income housing segment mortgage market in India and continuing to focus on the salaried and self-employed categories from the economically weaker and low-to-middle income group segment of the Indian economy. We believe our objective of financial inclusion for these categories of customers coupled with our digitally enabled customer centric approach will allow us to continue to grow our customer base and our loan portfolio. We also grow our customer base by entering into co-lending arrangements with other banks, see "– *Our Strategy – Optimize our borrowing costs and reduce operating expenses further*" on page 161 for further details. In addition, we may also explore selective opportunistic acquisitions of low income housing segment loan portfolios from banks and financial institutions as means of inorganic growth.

Continue to invest in and roll out digital and technology enabled solutions across our business to improve customer experience and improve cost efficiency

In October 2021, we implemented an enterprise-wide technology upgrade of our systems and processes. These investments are aimed at modernizing our technology backbone and digitizing operating processes. For further information, see "– *Information Technology*" on page 173. We believe that these initiatives will assist in streamlining of existing processes and the introduction of enhanced features.

Further, we aim to make the process of buying a house for our customers seamless by building a digitally-driven and enabled HFC focused on the low income housing segment. The key components of this are the simplification of processes, growing our reach, efficient and comprehensive risk management combined with a superior customer experience.

Our credit underwriting, risk management and fraud detection teams utilize technology to process loan applications, analyze credit risks, identify fraud and utilize an objective cognitive rule-based policy to make credit decisions. These technology-enabled initiatives allow us to increase our customer penetration by enabling third parties to source customers while keeping credit appraisals in-house.

Operationally, digitization benefits us through improved underwriting processes, increased productivity, cost reduction and improved collections through data-driven early warning systems. These measures are intended to improve our customers' experience while transacting with us. At the back-end, we have automated various processes and rolled out of a lending management system with different technologies. In FY2020, we appointed Tata Consultancy Services Limited ("**TCS**") to implement their Lending and Securitization Platform across our systems and launched a Digital Transformation program which provides a more integrated digital platform for various stages of a loan cycle onboarding, loan origination, accounting and reporting. These technologies will further enable our shift to an analytics-based approach across our business. These technological systems and enhancements will also help us further improve our systems, processes and controls. Our technology initiatives coupled with our physical branch and location expansion will allow us to continue to expand and grow our business, while improving our cost efficiency. See "– *Information Technology*" on page 173.

Optimize our borrowing costs and reduce operating expenses further

Our cost of borrowing declined from FY2021 to FY2022 and thereafter increased at a slower pace in the nine months ended December 31, 2023 as compared to the increase in the India repo rate during the same period, which we believe is due to our proactive and flexible fundraising strategy. The following table sets forth details of our average cost of borrowings for the periods indicated:

	For the				
	FY 2021	**FY 2022**	**FY 2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
Average cost of borrowings (1)	8.2%	7.2%	7.0%	7.0%*	7.6%*

(1) Average cost of borrowing:- Represents finance cost for the relevant year or period as a percentage of Average Borrowings in such year or period. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year or period and our Total Borrowings outstanding as of the last day of the previous year or period.

**These financial data have been presented on an annualized basis in the following manner: reported figure multiplied by number of days in a FY divided by number of days in a year. The calculation does not take into account seasonality factors or any other factors which could impact period-on-period variations and may not reflect our actual performance for FY2023 and FY2024. The presentation of annualized financial data has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results. Annualized financial data are not standard measures under the Ind AS and should not be considered in isolation or construed as alternatives to net income/loss, cash flow or any other measure of financial performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Annualized financial data presented herein may not be comparable to similarly titled measures presented by other companies.*

We intend to continue to diversify our funding sources, identify new sources and pools of capital and implement robust asset liability management policies with the aim of further optimizing our borrowing costs and help sustain our NIM. In line with our strategy, we have increased the share of NHB refinancing in our Total Borrowings and have also availed international sources of funding in the past to reduce our overall cost of borrowings and diversify the funding mix. We intend to continue maintaining a healthy mix of NHB refinance in our Total Borrowings and expanding our lender base. For instance, we have received sanction letter from NHB in December 2020, December 2021, October 2022 and October 2023 for loans up to ₹ 10.0 billion, ₹ 12.5 billion, ₹ 15.0 billion and ₹ 10.0 billion, respectively. See "*– Competitive Strengths – Access to diversified and cost-effective long-term financing with a disciplined approach to asset liability and liquidity management*" for further details.

Our fully built-out distribution and collections infrastructure is a key source of operating leverage and will help reduce our operating expenses. Further, we expect that our strategic investments in technology and digitization across our business will further reduce our operating expenses and credit costs over time. We will continue to review and identify means to improving our revenue to operating expenses ratio and improving our overall NIM from current levels.

We believe that as a result of these various initiatives we would be in a position to continue to maintain our low NPA levels and reduce it further, improve our credit ratings for new fund raising, borrow at competitive rates and hence sustainably deliver superior return ratios.

With a strategy to leverage our distribution network and widen our sources of funds, we signed co-lending agreements with two public sector banks and one private sector bank in FY2022 and FY2023. The partnerships with the two public sector banks have been operationalized. We may also enter into such arrangements with other private and public sector banks to increase the number of our co-lending partners. We believe co-lending presents a unique opportunity through the combination of the banks' availability of low cost of funds, coupled with an NBFC (including HFC's) ability to source retail customers efficiently as well as manage these customers, including collections. This model allows NBFCs or HFCs to cater to a larger customer base with lesser capital by leveraging the larger balance sheet of their partner banks.

RBI had amended the co-lending framework in November 2020 to improve the flow of credit to the unserved and underserved sector of the economy and make available funds to the ultimate beneficiary at an affordable cost, considering the lower cost of funds from banks and wider reach of the NBFCs. Under the terms of the revised Co-Lending Model ("**CLM**"), banks are now also permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement in a manner akin to bilateral assignment. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs will be required to retain a minimum of 20% share of the individual loans on their books.

In view of CLM, we strategically partnered with two public sector banks and one private sector bank to take advantage of this new framework. Under our arrangement with these banks, we will source and disburse loans in our usual course of business in accordance with our existing policies and subsequently, may request these banks to participate in the specific home loans or loan against property with pre-agreed parameters. The partnering co-lending banks, after completing their internal due diligence, may agree to participate by transferring an 80% share of the loan to our Company through an escrow account. Our Company will continue to service the loan as a servicing agent, and continue to have interface with the customers, and share the collections with these banks.

Our Business Operations

We are a HFC focused on the low income housing segment (ticket size less than ₹1.5 million), targeting primarily first-time home buyers in economically weaker and low-to-middle income segments. We serve formal and informal customers in salaried and self-employed segments. As of March 31, 2023 and December 31, 2023, salaried customers accounted for 58.6% and 57.2% of our Gross AUM and self-employed customers account for 41.4% and 42.8% of Gross AUM, respectively. As of December 31, 2023, we have 255,683 live accounts (including assigned and co-lent loans). Apart from home loans, we also offer loans against property, loans for renovation and property extension and loans for purchase of commercial property. As of March 31, 2023, home loans and non-home loans (including respective insurance portion) accounted for 78.1% and 21.9% of our Gross AUM, respectively. As of December 31, 2023, home loans and non-home loans (including respective insurance portion) accounted for 75.9% and 24.1% of our Gross AUM, respectively. Further, for the disbursements made in the year ended March 31, 2023 and December 31, 2023, approximately 11.9% and 9.6% of our customers are new-to-credit, respectively.

The average ticket size of our loans was ₹1.0 million, with an average loan-to-value of 58.3%, as of December 31, 2023.

As of December 31, 2023, we had a network of 487 branches* (including 109 sales offices) covering over 533 districts in 20 states and union territories in India. We are evenly spread across states thereby helping us reduce risk of geographic concentration. We have increased our scale and have strategically expanded to geographies where there is substantial demand for housing finance.

** The number of branches does not include regional offices and corporate offices.*

We utilize a diverse range of lead sourcing channels such as direct selling teams, direct selling associates, Aadhar Mitras, digital channels and a call center. Our focus is on ground level activities such as market combing, loan tents, and various other marketing activities to assist the front end teams reach out to the desired segment.

We have been actively participating in various affordable housing initiatives of the government of India. For example, we participate in the PMAY Scheme of the government of India, pursuant to which we provide to borrowers from economically weaker segments a subsidy which is applied towards interest payment. As of December 31, 2023, we have assisted in cumulatively providing a subsidy amounting to ₹17,771.1 million to 85,339 customers. The Company receives the amount of subsidy from the Government of India pursuant to the Credit Linked Subsidy Scheme under the PMAY Scheme and the relevant details of the subsidies are set forth in the following table for the periods indicated:

	For the year ended			For the nine months ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Subsidy Amount (in ₹ million)	1,684.3	2,968.5	7,549.9	1,707.9	-*
Customers	9,545	13,613	36,897	8,031	-*

*Note: * No subsidy was provided for the nine months ended December 31, 2023 as a result of the end of the PMAY Scheme.*

The following table sets forth, for the period ends indicated, our Gross AUM:

(₹ in million)

Metric	As of the financial year ended March 31,			As of and for the nine months ended December 31,	
	2021	2022	2023	2022	2023
Gross AUM	133,271.0	147,777.9	172,228.3	165,664.6	198,651.6

The following table sets forth breakdown of our Gross AUM, disbursements and average ticket sizes for our home loans and non-home loans, as of and for the years indicated:

(₹ in million)

	As of/for the				
Metric	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Gross AUM:					
Home Loans	112,959.6	120,918.0	134,593.1	131,785.7	150,738.1
Non-Home Loans	20,292.6	26,848.9	37,635.2	33,878.9	47,913.5
Project Finance.	18.8	11.0	-	-	-
Disbursements:					
Home Loans	30,409.0	31,168.1	42,054.8	27,930.9	35,354.9
Non-Home Loans	5,038.1	8,751.2	16,971.3	11,522.7	13,685.7
Project Finance	-	-	-	-	-
Total	35,447.1	39,919.3	59,026.1	39,453.6	49,040.6
Average Ticket Size on Retail AUM:					
Home Loans	0.9	0.9	1.0	1.0	1.0
Non-Home Loans	0.7	0.7	0.8	0.8	0.8
Total	0.9	0.9	0.9	0.9	1.0

Notes:

(1) The above AUM and disbursement figures in Home Loans and Non Home Loans include the insurance amount. For regulatory reporting purposes, insurance amount of Home Loans is classified as Non Home Loans.

Our loan products

We provide the following categories of loans to our customers:

Loan category	End-use/features	Maximum tenure *
Loans for purchase and self-construction of residential properties	We provide loans for the purchase of ready residential property to the extent of 90.0% of the fair market value of property. This limit is governed by regulatory limit and is based on the loan amounts. In addition, we also provide loans for: • purchase of residential plots, • combination of plot purchase and construction upon the plot; • residential construction on self-owned plots; and • balance transfer of existing loans from other lending institutions.	30 years / 20 years for purchase of residential plots
Loans for home improvement/extension	We provide loans for improvements in the existing house and for extensions in the existing structure. These loans are also subject to a maximum of 90.0% of the overall market value of the property and 100.0% of work estimated cost, whichever is lower. Loans for home improvement can be obtained for various purposes, such as flooring or roofing, plumbing, plastering, painting and electrical work. Loans for extension can be obtained for purposes such as for extension of floors.	30 years
Loans against residential/commercial property	We provide loans against existing residential and commercial property of customers based on their requirement and the value of the property. The end use of such loans can be investment in their business or	15 years

Loan category	End-use/features	Maximum tenure *
	personal expenses such as marriage, education and medical expenses.	
Loans for purchase/construction of non- residential property	We provide loans for the purchase/ construction of properties for commercial use.	15 years
Utkarsh loans	We provide loans to low- and medium-income individuals with a good CRIF report. The loans are for the purchase of residential properties through our branches in select metro locations and bigger cities. The LTV for such loans is also governed by the regulatory limit. Approximately 5.0-6.0% of our annual disbursements for such loans are in the ticket sizes between (i) ₹2,500,000 and ₹7,500,000 for salaried low and medium income individuals; and (ii) ₹2,500,000 and ₹5,000,000 for self-employed low and medium income individuals. This loan product is available in 15 cities in India.	30 years

**The maximum loan tenure offered depends on customer profile, age and product.*

Our Branch and Sales Office Network

As of December 31, 2023, we conducted our operations through 487 branches* in 533 districts, covering 10,926 pin codes in 20 states and union territories.

Our portfolio is geographically well diversified, as shown in the following table, which sets forth the state wise distribution of our Gross AUM and branches as of March 31, 2023 and December 31, 2023:

	As of March 31, 2023		As of December 31, 2023	
State	**Percentage of Total Branches***	**Percentage of Gross AUM**	**Percentage of Total Branches***	**Percentage of Gross AUM**
Uttar Pradesh	13.4%	14.2%	13.3%	13.6%
Maharashtra	10.0%	14.1%	9.9%	14.0%
Madhya Pradesh	8.3%	10.2%	8.0%	9.8%
Gujarat	13.4%	11.0%	12.9%	11.1%
Rajasthan	10.2%	12.5%	9.4%	12.7%
Tamil Nadu	9.2%	8.2%	10.3%	8.4%
Telangana	7.7%	6.5%	7.6%	6.7%
Karnataka	5.1%	3.9%	4.9%	3.7%
Andhra Pradesh	7.2%	3.9%	8.2%	4.2%
Others	15.4%	15.6%	15.4%	15.8%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

** The number of branches include sales offices which were opened in the last quarter of FY2023 and does not include regional offices and corporate offices.*

The following table sets forth certain details of the reach of our branch and sales office network as of December 31, 2023:

State	Number of Branches* (including Sales Offices)	Number of Sales Offices	Number of Districts with a Point of Presence	Number of Districts in the State	District Penetration %
Uttar Pradesh	65	20	66	74	89%
Maharashtra	48	0	35	36	97%
Madhya Pradesh	39	0	55	56	98%
Gujarat	63	26	33	33	100%
Rajasthan	46	17	48	51	94%
Tamil Nadu	50	10	38	38	100%
Telangana	37	12	33	33	100%
Karnataka	24	0	31	31	100%
Andhra Pradesh	40	17	23	25	92%
Others	75	7	171	424	40%
Total	**487**	**109**	**533**	**801**	**67%**

** The number of branches does not include regional offices and corporate offices.*

The following table shows the split and description of our branches and sales offices according to type as of December 31, 2023:

	Type	Loan Disbursement Per Annum	Typical Manpower	Number*	Percentage
1.	Main branch	More than ₹ 240 million	A team consisting of (i) a branch or cluster manager, (ii) sales team based on target, and (iii) one to two staff from each of the credit team, technical team and operations team.	131	26.9%
2.	Small branch	₹ 120 million to ₹ 240 million	A team consisting of (i) a branch manager, (ii) a credit officer overseeing credit and operations, (iii) a sales team based on the target, and (iv) a technical and collection team.	136	27.9%
3.	Micro branch	₹ 70 million to ₹ 120 million	A team consisting of (i) a branch manager, with either (a) three to four DSTs or (b) two to three DSTs, with (ii) one relationship manager, and (iii) one credit officer overseeing credit and operations.	87	17.9%
4.	Ultra-micro branch	₹ 50 million to ₹ 70 million	A team consisting of a (i) sales managers, and (ii) two to three DSTs or two relationship managers.	24	4.9%
5.	Sales Offices (also known as deep impact branches)	₹ 50 million to ₹ 70 million	(i) One branch in-charge, and (ii) three to four DSTs.	109	22.4%
			Total	**487**	**100.0%**

** The number of branches does not include regional offices and corporate offices.*

Our Customer Base

Our target customer segment comprises individuals from the economically weaker and low-to-middle income segments in urban and semi-urban areas who have limited access to formal banking credit. We offer loans to both salaried and self-employed individuals in the formal and informal segments. We cater to customers from informal employment sectors who do not have formal income proofs, pay slips, or income tax returns, and hence may be excluded from being served by banks or large financial institutions. For the income-wise split of our formal and informal customers, see *"– Competitive Strengths – HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India with the highest AUM and net worth among our analyzed peers in FY2021, FY2022, FY2023 and nine months ended December 31, 2022 and December 31, 2023*" on page 154. As a result of our expertise, experience and business model, we believe that we are able to effectively serve such customers and grow our business, while monitoring and mitigating risks. We have developed detailed customer interviews as part of our personal discussion process, which provide us deep insights into behavioral traits and other data points which substitute some of the traditional data.

Key Parameters of our loan products: LTV Ratio, EMI and Tenure of our Home Loans

The RBI Master Directions – HFC prescribe the thresholds of loans that can be provided to housing loan customers. A property with market value of up to ₹3.0 million is permitted to have a maximum loan-to-value ("**LTV**") of up to 90.0%, property with market value between ₹3.0 million and ₹7.5 million is permitted to have maximum LTV ratio of up to 80.0% and property with market value above ₹7.5 million is permitted to have maximum LTV ratio of up to 75.0%. The following table sets forth details of our average LTVs, at the time of the sanctioning of the loan, as of the dates indicated:

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Average LTV - Home loans	61.9%	62.5%	63.7%	63.4%	64.7%
Average LTV - Non-home loans	41.1%	42.9%	44.6%	44.5%	45.5%
Average LTV – Gross AUM (excluding project finance loans)	57.0%	57.5%	57.8%	57.7%	58.3%

While approving a loan application, we review the customer's repayment capacity, which is determined by factors such as the customer's age, educational qualification, number of dependents and the stability and continuity of the customer's income. If applicable, we also review a co-applicant's income, assets and liabilities, and cash flows, as required. The amount of the loan is determined on the basis of our evaluation of the repayment capacity of a customer and the value of the relevant property, and is also subject to regulatory limits. Loans are required to be repaid in equated monthly instalments ("**EMIs**") over an agreed period. The size of the EMI depends on the size of loan, interest rate and tenure of loan. The tenure of our home loans can be for a period up to 30 years and vary according to the purpose of the loan, the customer's age and the customer segment.

Interest Rates, Fees and Collateral for our Home Loans

The pricing of our loans is linked to our reference rate which we determine from time to time based on market conditions. Our reference rate was 16.2% as of March 31, 2021 and March 31, 2022, 16.7% as of December 31, 2022, 16.7% as of March 31, 2023 and 17.4% as of December 31, 2023. As of December 31, 2023, 21.4% of our Total Borrowings and assignment were at fixed rates of interest and 78.6% were at floating rates, which allows us to adjust the interest rates for our home loans based on the reference rate. As of December 31, 2023, all of our outstanding loans are secured in our favor by a mortgage over property or other security.

We require our customers to pay certain processing fees and charges prior to the disbursement of the loans at different stages of the loan application. These fees and charges are subject to change from time to time based on market conditions and regulatory requirements.

The underlying collateral for a loan is the house or property towards which the loan is provided. The security for home loans is created either through an equitable mortgage by way of deposit of title deeds or a registered mortgage of immovable property. We also offer our customers an option to take an insurance cover for the home, with the sum assured cover of at least the home loan amount, which offers an additional cover for any damage to the collateral.

Loan sourcing

We generate loans through both in-house and external sources. We use a combination of our in-house sales teams, including direct selling teams (“**DSTs**”) and sales managers. Our external channels include direct sales agents (“**DSAs**”) and Aadhar Mitras. As of December 31, 2023, our direct selling team including sales managers comprised 3,177 members. Further, we have 5,152 DSAs and 12,451 Aadhar Mitras as of December 31, 2023. As of March 31, 2023 and December 31, 2023, 58.2% and 54.3% of our total disbursements was contributed by in-house sourcing (through DSTs and Aadhar Mitras), respectively. The following table sets forth details of disbursements by sourcing channels for the periods indicated:

(₹ millions, except percentages)

Channel	For the year ended March 31, 2021		For the year ended March 31, 2022		For the year ended March 31, 2023		For the nine months ended December 31, 2022		For the nine months ended December 31, 2023	
	Disbursements	Contribution to total disbursements %	Disbursements	Contribution to total disbursements %	Disbursements	Contribution to total disbursements %	Disbursements	Contribution to total disbursements %	Disbursements	Contribution to total disbursements %
Aadhar Mitras	8,759.4	24.7%	9,003.9	22.5%	11,388.0	19.2%	7,455.5	18.9%	10,180.0	20.8%
DSAs	10,175.6	28.7%	13,004.0	32.6%	24,645.0	41.8%	15,511.3	39.3%	22,419.0	45.7%
DSTs	16,512.1	46.6%	17,911.4	44.9%	22,993.1	39.0%	16,486.8	41.8%	16,441.6	33.5%
Total	**35,447.1**	**100.0%**	**39,919.3**	**100.0%**	**59,026.1**	**100.0%**	**39,453.6**	**100.0%**	**49,040.6**	**100.0%**

The following table sets forth details of the referral fees paid to Aadhar Mitras and DSAs for the periods indicated:

(₹ in million)

	For the year ended			For the nine months ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Aadhar Mitra	76.3	109.4	273.8	177.8	196.2
DSAs	35.8	33.1	57.5	40.1	40.9

We enter into agreements for the appointment of our DSAs and Aadhar Mitras. These agreements govern our arrangements for the appointment, termination and compensation of these external sourcing channels. These agreements also specify the responsibilities and requirements that these sources have to satisfy in the conduct of their activities while dealing with our customers. The leads generated or customers sourced by these external sourcing channels are subject to our internal credit approval and disbursement process in accordance with our internal policies. For further details, see "- *Credit Approval and Disbursement Process*" on page 167.

In 2018, with a view to lowering our cost of acquisition for new loans and to widen our reach, we launched the 'Aadhar Mitra Program'. Aadhar Mitras are individuals engaged by us who may be in a non-allied industry (for example, hardware store owners, property brokers and building material suppliers) and act as lead providers to our DSTs. We incentivize Aadhar Mitras with a referral fee for every referral that results in a loan disbursal by us. Our onboarding process for Aadhar Mitras involves the verification of documents of a prospective Aadhar Mitra by our local branch, followed by training programs for the Aadhar Mitra. In August 2021, we launched a “Mahila Aadhar Mitra” program which catered to enrolling women as Aadhar Mitras. This enables us to widen our network of Aadhar Mitras and at the same time helps to providing a source of income to our Mahila Aadhar Mitras.

Further, we also generate business through corporate channel partners and digital platforms such as digital lead aggregators under the 'Digital Aadhar Mitra' program website and social media platforms.

Credit Approval and Disbursement Processes

For credit underwriting, we use both technology as well as manual verification methods through our well-trained credit officers. Through a mix of technology and manual verification, our credit team can underwrite customers belonging to both formal and informal employment segments. We verify KYC documents and income of customers from the formal employment segment using technology led solutions (for example, the online verification of PAN, Aadhar number, Voter identification data, EPF, TDS, company/employer profile and income tax returns). In case of the informal customer segment, the credit manager visits the customer's business as well as the residential premises and assesses the income of the customer according to pre-defined policies and processes.

We have RPUs for centralized underwriting as well as decentralized processing mechanisms:

- *Regional central processing* (through RPUs): We have 16 RPUs, i.e., one in each business region, where all loan applications for formal salaried customers are processed. This ensures standardization, cost optimization and better turn-around time.
- *Decentralized processing*: For loan applications of customers from informal segments (self-employed customers or customers who receive their salary in cash), we utilize branch led processing through branch credit managers, as such cases require on-ground verification of the business and income assessment.

We source and onboard our customers through digital means where a member of our sales team meets the customer in person and captures the demographic and income details, KYC and income documents on a mobile application. The application form is digitally signed by customer through an OTP sent to their mobile device. Once sales team submits the file, it moves into processing with all data and documents (stored digitally). We do not maintain any physical file for loan applications and supporting documents. Before submission of the file in our mobility application, our sales team also collects a login fee from the customer. Once the loan application is submitted digitally, our Centralized Data Entry Team begins checking the loan application and supporting documents. If all documents are complete the file is moved to our Operations Team, after which the loan application is assigned to a credit manager in our loan origination system. The credit manager screens the database to avoid duplication with prior applications or existing customers and conducts credit bureau checks. Our credit manager checks the complete credit bureau report where the credit score of the applicant is reviewed along with a track record of loan repayments, if any. Thereafter, the credit manager processes the file for various online and offline verifications as well as arranges physical or video conference meetings with the customer to underwrite the case for decision. Simultaneously, our risk containment unit ("**RCU**") screens every loan application and supporting document. Any suspicious documents are sampled and verified at the source of the document. This is to identify and avoid any fraudulent activity at an early stage. In addition, the system allows the branch team to initiate legal and technical assessment as and when copies of proposed collateral property documents are available. The legal team verifies the authenticity of property documents and ensures that the property is legally enforceable. Technical evaluation is done to identify the property at ground level, assessment its fair market value and overall marketability.

For credit underwriting, (i) for formal banking salaried customers, a credit manager conducts the discussions over the telephone and (ii) for self-employed and informal salaried customers, the credit manager visits the customer's place of business and residence. The purpose of such visit is to understand their business, revenue streams and expenses and, assess the monthly net business income, or review the proof of salary for informal salaried customers. The credit manager fills in details in a pre-defined template which is mandatory for credit appraisal. During the physical visit to the customer, the credit manager also captures the photographs of the customer's business place with date and time stamp and attaches such photographs in the system. The loan eligibility is determined based on the income assessment and existing loan EMIs. The credit manager then prepares the credit appraisal memo. If the credit manager receives any additional documents, then such documents are also attached in the system and the same is verified by the RCU to verify the authenticity of such additional documents. The loan application is then sent to our sanctioning authority for final approval. We seek to mitigate the risk of default by including specific covenants in the loan documentation in addition to our general terms and conditions, on a case-by-case basis.

The approval for the loan is provided once the legal evaluation and technical evaluation are done and the RCU verifications are completed. The loan amount is derived as the lower of (i) customer eligibility based on income and (ii) LTV basis the fair market value of property.

We have implemented a four-pronged system of credit assessment comprising:

- *Underwriting*: We have a credit team of 491 personnel as of December 31, 2023, comprising credit managers who conduct an independent verification of customers, evaluate the customer's business and financing needs, and analyse their ability to repay loans. Our credit managers also conduct an analysis of the existing and expected cash flow of a customer's business.
- *Legal assessments*: We conduct legal assessments through our in-house team of lawyers and by engaging empanelled vendors (lawyers or law firms) who help us perform functions such as the verification of documents, conduct of property

searches and issuance of legal scrutiny reports of title to properties. Legal reports prepared by empanelled lawyers are reviewed by our in- house legal team. The in-house legal team is responsible for clearing the title of collateral for the reports issued by empanelled local law firms and lawyers. As of December 31, 2023, we had an in-house team of 45 lawyers, and approximately 667 local law firms and lawyers were empanelled with us.

- *Technical assessments*: In relation to loans for construction, home improvement or home extension, we conduct technical assessments primarily through our in-house team of engineers and by engaging empanelled valuers who help us perform functions such as site visits, conducting technical evaluation of properties and the periodical review of construction projects. As of December 31, 2023, we had a team of 304 technical members and 213 technical agencies were empanelled with us. Further, for properties above a certain threshold, we also obtain additional valuation from independent third parties. Additionally, our branch managers or credit managers also visit properties valued above the threshold limits. As an additional measure, approximately 5.0% of the properties mortgaged in each quarter are re-valued to review the variance in valuation. In cases where there is a variance, the properties are examined for taking necessary remedial measures.
- *Risk Containment Unit*: Our risk containment unit conducts trigger based checks, scrutinizes documents, field investigation, visits certain customers and seeks to identify fraud at early stages. They also conduct geography specific risk assessments, authentication of demand letters and employment certifications. As of December 31, 2023, our risk containment unit comprised 35 personnel. We also engage third party vendors to assist in fraud control.

Loan Collection and Monitoring

We have well established processes and a strong four-tier collections infrastructure comprising tele-calling, field collection, legal recovery and settlement to help us with loan collections. At the outset of loan disbursement, we provide our customers with the option to make their payments using methods such as automated clearing house payment gateways, post-dated cheques and other digital modes of payment. We have also entered into arrangements with e-commerce payment systems to augment our digital payment gateways. However, given the limited digital access of our customers in semi-urban areas, we have also entered into an agreement with service providers to provide assisted digital payment services, to facilitate seamless cash payments through their network. As of December 31, 2023, 94.8% of our customers pay their monthly instalments through automated clearing house modes. Since 2018, we have been collecting pre authorizations from customers for electronic auto debits from their bank accounts and also collect post-dated cheques in advance for use in case of delays in registration of the auto debit facility. For overdue cases, our field executives visit customers to collect instalments. We track loan repayment schedules on a monthly basis by monitoring instalments due and loan defaults. We ensure that all customer accounts are reviewed by our personnel at periodic intervals, particularly for customers who have larger exposures or have missed their payments.

Our field executives are responsible for collecting instalments, with each field executive typically having responsibility for specified number of borrowers, depending on the volume of loan disbursements in the area. Our entire collection field team is equipped with a mobility application for handy customer information useful for collection with the capability to issue digital receipts to customers. We also use services of third party call centers. We believe that our loan recovery procedures are well-suited to the markets that we cater to.

We employ a structured collection process wherein we remind our customers of their payment schedules through text messages and calls from our tele-callers. In certain cases, our in-house team also visits our customers. If the customer has not made payment by the due date and despite regular follow-ups for a certain period of time, a senior member of our collections team visits the customer and legal action is initiated if the customer's ability or intent to repay is suspect.

In the event of default under a loan agreement, we may initiate the process for re-possessing collateral. We work with local authorities to repossess such assets and take appropriate care in dealing with customers while enforcing on assets. Where appropriate, our collections department coordinates with our legal team and external lawyers to initiate and monitor legal proceedings.

Other Business Initiatives

Distribution of Insurance Products

We hold a certificate of registration to act as corporate agent from the IRDAI. Pursuant to this certificate and applicable guidelines, we are permitted to enter into arrangements with insurers for the distribution of life, general and health insurance products. For further details, see *"Government and Other Approvals"* on page 372. We currently act as corporate agents for three general insurance companies and one life insurance company.

We provide our customers with multiple insurance products linked to their life, health and property. Under life insurance, we provide mortgage reducing term insurance linked to the loan facility. Under general insurance we provide property insurance, personal accident, critical illness and health insurance. These products are optional to the customer.

The following table sets forth details of and the split of total income generated by life insurance products and non-life insurance products for the periods indicated:

	For FY ended March 31,						For the nine months ended December 31,			
	2021		2022		2023		2022		2023	
	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income	Amount	% of Total Income
	(₹ in million, except percentages)									
Life insurance business	47.6	0.3%	51.3	0.3%	84.8	0.4%	59.7	0.4%	254.2	1.3%
Non-life insurance business	98.9	0.6%	66.6	0.4%	84.5	0.4%	46.9	0.3%	220.3	1.2%
Total	**146.5**	**0.9%**	**117.9**	**0.7%**	**169.3**	**0.8%**	**106.6**	**0.7%**	**474.5**	**2.5%**

Treasury Functions

Our treasury department is responsible for our capital requirements and asset liability management, liquidity management and control, diversifying fund raising sources, managing interest rate risk and investing surplus funds in accordance with the criteria set forth in our investment policy. Our effective asset liability management strategies have allowed us to maintain positive asset-liability mismatch across all the maturity buckets as of March 31, 2021, March 31, 2022, March 31, 2023 and December 31, 2023. We have obtained financing from a variety of sources including term loans and cash credit/ working capital facilities; proceeds from loans assigned; proceeds from the issuance of NCDs; refinancing from the NHB; and subordinated debt borrowings from banks, mutual funds and insurance companies to meet our capital requirements. We assign loans through direct assignment to banks and financial institutions, which enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. We also widen our source of funds by partnering with other banks for co-lending arrangements, which utilize the banks' low cost of funds to cater for a larger customer base, see "*– Our Strategy – Optimize our borrowing costs and reduce operating expenses further*" on page 161 for further details. Our treasury and finance team periodically submit their reports to our asset liability management committee, which submits its findings to our Board.

Our financings are typically secured against our assets. Since the security we provide is on a *pari-passu* basis to all lenders (except to NHB, which is on exclusive charge basis), we are required to obtain no-objection letters/ pari-passu letters for the perfection of security from all our lenders (except NHB) every time we raise a new secured borrowings which is time consuming.

With the approval and consent from our secured lenders we have appointed a security trustee in respect of our banking arrangements. We have appointed Beacon Trusteeship Limited as a security trustee with effect from September 23, 2021. The appointment of a security trustee not only reduces the need for individual approvals and consents from our lenders but also enables the security trustee to monitor our assets that are provided as security.

The following table sets forth the breakdown of our total borrowings by sources of funds as of the date indicated:

	As of March 31,						As of December 31,			
	2021		2022		2023		2022		2023	
	Amount	% of Total Borrowings	Amount	% of Total Borrowings	Amount	% of Total Borrowings	Amount	% of Total Borrowings	Amount	% of Total Borrowings
	(₹ in million, except percentages)									
Banks	64,123.2	61.8%	63,586.0	59.6%	65,406.7	53.8%	64,837.2	55.3%	71,413.9	54.4%
NHB	16,980.9	16.4%	23,853.7	22.4%	30,020.6	24.7%	28,033.1	23.9%	35,831.5	27.3%
Redeemable non-convertible debentures	21,403.1	20.6%	17,642.9	16.5%	25,421.3	20.9%	23,594.4	20.1%	23,417.4	17.8%
Subordinate debt	831.9	0.8%	833.4	0.8%	654.7	0.5%	654.8	0.6%	596.0	0.5%
Cash Credit/Overdraft	-	-	750.0	0.7%	-	-	-	-	0.3	0.0%*

*Note: *Less than 0.1%*

The following table sets forth the breakdown of our total borrowings, including assignment, by fixed and floating rates of interest as of the date indicated:

(₹ in million, except percentages)

Type of Borrowings including Assignment	As of March 31, 2021		As of March 31, 2022		As of March 31, 2023		As of December 31, 2022		As of December 31, 2023	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
Fixed Rate Borrowings	35,325.0	27.3%	34,689.4	25.9%	38,130	24.7%	37,647.4	25.4%	36,349.5	21.4%
Floating Rate Borrowings	93,888.3	72.7%	99,353.5	74.1%	116,223	75.3%	110,371.5	74.6%	133,719.3	78.6%

Our average cost of borrowings reduced from 8.2% in FY2021 to 7.2% in FY2022, 7.0% for the nine months ended December 31, 2022, 7.0% in FY2023 and 7.6% for the nine months ended December 31, 2023. Our incremental cost of borrowings reduced from 6.8% in FY2021 to 5.9% in FY2022, and increased from 6.7% for the nine months ended December 31, 2022 to 7.1% in FY2023 and subsequently to 7.9% for the nine months ended December 31, 2023. We believe that we have been able to access cost-effective diversified debt financing due to our stable credit history, good credit ratings and conservative risk management policies.

Capital to Risk Weighted Assets Ratios

As per the RBI Master Directions – HFC, HFCs are required to maintain a minimum capital ratio on an ongoing basis, consisting of Tier I Capital and Tier II Capital, of not less than 15% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. At a minimum, Tier I Capital of HFCs cannot be less than 10%. Further, the total Tier II Capital at any point of time, should not exceed 100% of Tier I Capital. The RBI also issued guidelines providing for risk weighting of assets based on the LTV ratio and a circular providing for an increased risk weight on consumer credit exposure (excluding home loans) from 100% to 125%.

The following table sets forth certain details of our CRWAR and other key metrics as of the dates indicated:

	As at March 31,			As at December 31,	
	2021	**2022**	**2023**	**2022**	**2023**
Total assets *(₹ in million)*	136,303.3	143,758.1	166,178.7	158,919.6	180,355.7
Risk weighted assets* *(₹ in million)*	62,454.9	70,243.2	83,391.3	79,794.0	99,707.8
Net worth *(₹ in million)*	26,927.6	31,466.3	36,976.0	35,556.8	42,491.0
CRWAR* (%)(1)	44.1%	45.4%	42.7%	44.9%	39.7%
CRWAR - Tier I Capital* (%)(2)	42.6%	44.2%	41.7%	43.9%	38.9%
CRWAR - Tier II Capital* (%)(3)	1.5%	1.2%	1.1%	1.0%	0.8%
Amount of subordinated debt qualified as Tier – II capital* *(₹ in million)*	660.0	492.0	360.0	360.0	240.0

Notes:
(1) CRWAR (Capital Risk Adjusted Ratio) = Tier I Capital and Tier II Capital / Risk Weighted Assets
(2) CRWAR (Capital Risk Adjusted Ratio) – Tier I Capital = Tier I Capital / Risk Weighted Assets
(3) CRWAR (Capital Risk Adjusted Ratio) – Tier II Capital = Tier II Capital / Risk Weighted Assets
** On standalone basis*

Credit Ratings

Our credit ratings for the periods indicated are set forth below:

Instrument	Rating Agency	FY2021	FY2022	FY2023	December 2023	As of date of this Red Herring Prospectus
Long-term bank facilities	CARE Ratings	AA/Stable	AA/Stable	AA/Stable	AA/ Stable	AA/Stable
	ICRA Ratings	-	-	AA/ Stable	AA/ Stable	AA/ Stable
Long-term — NCDs	CARE Ratings	AA/Stable	AA/Stable	AA/Stable	AA/ Stable	AA/Stable
	Brickworks Ratings	AA/Stable	AA/Stable	AA/Stable	AA/ Stable	AA/Stable
	ICRA Ratings	-	-	AA/ Stable	AA/ Stable	AA/ Stable
	India Ratings	-	-	AA/ Stable	AA/ Stable	AA/ Stable
Bank loans	India Ratings	-	-	-	AA/ Stable	AA/ Stable
Subordinate debt	CARE Ratings	AA-/ Stable	AA-/ Stable	AA/ Stable	AA/ Stable	AA/ Stable
	Brickworks Ratings	AA/Stable	AA/ Stable	AA/ Stable	-	-
Fixed deposit	CARE Ratings	-	-	AA/ Stable	AA/ Stable	AA/ Stable
	CRISIL Ratings	FAA-/Stable	FAA-/Stable	-	-	-
Short-term – Commercial paper	CRISIL Ratings	A1+	A1+	A1+	-	-
	ICRA Ratings	A1+	A1+	A1+	A1+	A1+
Short-term issuer	India Ratings	A1+	A1+	-	-	-

Instrument	Rating Agency	FY2021	FY2022	FY2023	December 2023	As of date of this Red Herring Prospectus
rating						

Risk Management

Risk management forms an integral part of our business. We continue to improve our internal policies and implement them rigorously for the efficient functioning of our business. As a lending institution, we are exposed to various risks that are related to our lending business and operating environment. Our objective in our risk management processes is to measure and monitor the various risks that we are subject to and to follow policies and procedures to mitigate and address such risks. Our risk management framework is driven by our Board and its sub-committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee and is overseen by our full-time Chief Risk Officer. We accord the necessary importance to prudent lending practices and have implemented adequate measures for risk mitigation, which include verification of credit history from credit information bureaus, multiple verifications of a customer's business and residence, verification of income and KYC documents submitted by the customer, technical and legal verifications, conservative loan to value, and required term cover for insurance.

The major types of risk we face in our businesses are liquidity risk, credit risk, operation risk, interest rate risk, cash management risk, collateral risk and information security risk.

Liquidity Risk

Liquidity risk arises due to the unavailability of adequate amount of funds at an appropriate cost and tenure. We may face an asset-liability mismatch caused by a difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner and at a reasonable price. We monitor liquidity risk through our Asset Liability Management Committee. Monitoring liquidity risk involves categorizing all assets and liabilities into different maturity profiles and evaluating them for any mismatches in any particular maturities, particularly in the short-term. We actively monitor our liquidity position to ensure that we can meet all borrower and lender-related funding requirements.

We continuously seek to diversify our sources of funding to facilitate flexibility in meeting our funding requirements. We maintain adequate liquidity buffers to take care of our working capital requirements and unforeseen market liquidity condition, as of March 31, 2021, March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023, we have cash and bank balances of ₹21,712.8 million, ₹17,101.6 million, ₹19,180.0 million, ₹16,718.3 million and ₹12,217.5 million and had undrawn credit lines amounting to ₹13,400.0 million, ₹17,160.0 million, ₹15,910.0 million, ₹18,770.0 million and ₹20,160.0 million, respectively. Due to the composition of our loan portfolio, which also qualifies for priority sector lending, we also engage in direct assignment transactions for optimization of our cost of borrowings and capital management, which provides an additional avenue of liquidity.

Credit Risk

Credit risk is the risk of loss that may occur from the default by our customers under our loan agreements. Customer defaults and inadequate collateral may lead to higher NPAs. The following table shows details of our Gross NPAs as of the period ends indicated:

(₹ in million, except percentages)

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Gross NPA(1)	1,430.3	2,154.5*	1,997.7	2,920.8	2,778.5
Gross NPA to Retail AUM (%)(2)	1.1%	1.5%*	1.2%	1.8%	1.4%

Note:

*(1) Gross NPA:- Represents our Gross Retail NPA (closing balance of the Gross NPA of our Retail AUM as of the last day or the relevant year or period). See * below for impact of the November 12 Circular.*

(2) Gross NPA to Retail AUM:- Represents the ratio of our Gross NPA as of the last day or the relevant day or period to the Retail AUM as of the last day of the relevant year or period.

* *For Gross NPA (%) as of March 31, 2023 and December 31, 2023, it includes loan assets of ₹70.5 million (less than 0.1% of our Retail AUM) and ₹59.1 million (less than 0.1% of our Retail AUM) not more than 90 days past due which have been classified as NPA as per the November 12 Circular, respectively.*

Following the November 12 Circular, we classified our Stage 3 assets of ₹ 1,069.1 million as of March 31, 2023 into:

(a) Stage 3a: ₹ 44.7 million loans not more than 90 days past due; and

(b) Stage 3b: ₹ 1,024.4 million loans more than 90 days past due.

We classified our Stage 3 assets of ₹ 1,454.8 million as of December 31, 2023 into:

(a) Stage 3a: ₹ 40.4million loans not more than 90 days past due; and

(b) Stage 3b: ₹ 1,414.4 million loans more than 90 days past due.

Our stage 3b loans are comparable to our NPA for the previous period/years and our stage 3a loans have been classified as a result of the November 12 Circular with effect from November 12, 2021. As a result of the reclassification of Stage 3 loans, our GNPAs as of March 31, 2023 and December 31, 2023 of ₹1,997.7 million (1.2% of our Retail AUM) and ₹2,778.5 million (1.4% of our Retail AUM), respectively includes loan assets of ₹ 70.5 million

(less than 0.1% of our Retail AUM) and ₹59.1 million (less than 0.1% of our Retail AUM) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular. Our Own Book GNPA as of March 31, 2023 and December 31, 2023 of ₹ 1,625.9 million (1.2% of our Own Book) and ₹2,308.1 million (1.4% of our Own Book), respectively includes loan assets of ₹58.9 million (less than 0.1% of our Own Book) and ₹52.2 million (less than 0.1% of our Own Book) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular. Our Retail GNPAs increased from ₹1,430.3 million (1.1% of our Retail AUM) as of March 31, 2021 to ₹2,143.5 million (1.5% of our Retail AUM) as of March 31, 2022, decreased to ₹1,997.7 million (1.2% of our Retail AUM) as of March 31, 2023 and increased to ₹2,778.5 million (1.4% of our Retail AUM) as of December 31, 2023, and our Own Book GNPA increased from ₹1,307.1 million (1.2% of our Own Book) as of March 31, 2021 to ₹1,825.7 million (1.5% of our Own Book) as of March 31, 2022, decreased to ₹1,625.9 million (1.2% of our Own Book) as of March 31, 2023 and increased to ₹2,308.1 million (1.4% of our Own Book) as of December 31, 2023.
See "Selected Statistical Information – Financial Ratios" on page 216 and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations - General Economic Conditions in India and the impact of the COVID-19 outbreak" on page 338.

We manage credit risks by using a set of credit norms and policies, which are approved by our Board and backed by our technology platform. We have implemented a structured and standardized credit approval process, including customer selection criteria, comprehensive credit risk assessment and cash flow analysis, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of a potential customer. Actual credit exposures, credit limits and asset quality are regularly monitored at various levels. We have created a robust credit assessment and underwriting practice that enables us to fairly price our credit risks. The process is complemented by strong legal and technical assessment along with a robust Risk Containment Unit.

We measure, monitor and manage credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is managed at the portfolio level for both home loans and other property loans. Our Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the credit risk.

Operational Risk

Operational risks arise from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, failure of computer systems, software or equipment, cyber risk, fraud, inadequate training or employee errors. As one of the features of our lending operations, we offer a speedy loan approval process and therefore have adopted de-centralized and centralized loan approval systems. In order to control our operational risks, we have adopted clearly defined loan approval processes and procedures. We also attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures and undertaking contingency planning. In addition, we have appointed audit firms to conduct internal and process audits to assess the adequacy of and compliance with our internal controls, procedures and processes. Reports of the internal auditors as well as the action taken on the matters reported upon are discussed and reviewed at the Audit Committee meetings.

Interest Rate Risk

We are subject to interest rate risk, primarily since we lend to customers at rates and for maturity periods that may differ from our funding sources. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. The following table shows the split of our assets and borrowings in terms of interest basis (i.e., fixed or floating rate) as of December 31, 2023:

Type	Gross AUM	Borrowings
Fixed	17.0%	21.4%
Floating	83.0%	78.6%

In order to manage interest rate risk, we seek to optimize our borrowing profile between short-term and long-term loans. We adopt funding strategies to ensure diversified resource-raising options to minimize cost and maximize stability of funds. Assets and liabilities are categorized into various time buckets based on their maturities and our Asset Liability Management Committee prepares an interest rate sensitivity report periodically for assessment of interest rate risks. Our Asset Liability Committee reviews the interest rates from time to time and makes adjustments to the interest rates as a measure to manage our interest rate risk.

Cash Management Risk

Our branches collect cash from customers for amounts that are overdue and deposit it in our bank accounts and we have also engaged certain agencies for their cash management services. To address the cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure the highest levels of compliance with our cash management systems. Further, we have also undertaken insurance policies to mitigate the risk. See "*—Competitive Strengths—Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality*", "*—Loan Collection and Monitoring*" and "*—Information Technology*" on pages 157, 168 and 173, respectively, for additional details on measures and steps we have implemented for cash collection activities.

Collateral Risk

Collateral risks arise due to the decrease in the value of collateral over time. The realizable price of a re-possessed asset may be lower than the total amount of loan and interest outstanding in such borrowing and we may be unable to realize the full amount due from our customers due to such a decrease in the value of collateral. We may also face certain practical and execution difficulties during the process of enforcing the collateral of defaulting customers. We work with local authorities to repossess such assets and take appropriate care in dealing with customers while enforcing on assets.

Information Security Risk

Information technology/ security risk is the risk arising on account of inadequacies or failure of technical infrastructure or IT systems which can have an adverse impact on the availability, integrity and confidentiality of the data and the IT infrastructure. We have an information security policy and cyber security policy that has been approved by our Board to manage our information security risk.

We also have a Senior Chief Manager – Information Security Officer reporting to Chief Risk Officer to monitor and control the risks associated with the use of technology across our various business processes.

Risk Management Architecture

In order to address the risks that are inherent to our business, we have developed a risk management architecture that includes monitoring by our Board through committees including the Audit Committee, the Asset Liability Management Committee and the Risk Management Committee.

- *Audit Committee*. Our Audit Committee is authorized to select and establish accounting policies, review reports of the statutory and the internal auditors and meet with them to discuss their findings, suggestions and other related matters. It also conducts a scrutiny of related party transactions, inter-corporate loans and investments and evaluates internal financial controls and risk management systems and procedures periodically.
- *Asset Liability Management Committee*. The Asset Liability Management Committee devises strategies to mitigate such risks by making appropriate adjustments to the pricing of our assets, liabilities and spreads and reports its findings to our Board periodically. It lays down policies and quantitative limits relating to assets, liabilities and yields, based on an assessment of the various risks involved in managing them. Its scope includes liquidity risk management, management of market risks, and funding and capital planning.
- *Risk Management Committee*. The Risk Management Committee supervises, guides, reviews and identifies current and emerging risks, develops risk assessment and measurement systems and establishes policies, practices and other control mechanisms to manage risks, develop risk tolerance limits for approval by our Board and senior management, and monitor positions against approved risk tolerance limits.
- *Executive Risk Management Committee*. The Executive Risk Management Committee discusses, deliberates and approves all policy and process changes, schemes, modification in products and funding schemes. It ensures stringent monitoring and management of special situations/problems and recommends policies and frameworks to the Board. It reviews risk appetite levels, portfolio and other limits, key risk indicators, portfolio quality, stress testing results and takes action.

Information Technology

Our business is dependent on information technology systems and we intend to continue making necessary investments to upgrade our systems, to improve our operational efficiency, customer service and decision making process while improving our business continuity and reducing the risk and negative impacts of system failures.

We continuously work on upgrading our IT systems to achieve these objectives. We have implemented digital solutions across various aspects of our business with these objectives in mind. Our credit underwriting, risk management and fraud detection teams utilize technology to centrally process loan applications, analyze credit risks, identify fraud and utilize an objective cognitive rule-based policy to make credit decisions. These technology-led initiatives allow us to increase our customer penetration through third party utilization for sourcing customers (as is the case with our digital Aadhar Mitras) while keeping credit appraisals in-house. Further, these technology solutions ensure data integration across all platforms and reduce manual intervention. The digitization of our work processes and functions improves the customer experience through more convenient accessibility, better customer service and engagement and faster turnaround time driven by faster decision making. Operationally, automation / digitization benefits us through improved underwriting processes, increased productivity, cost reduction and improved collections through data-driven early warning systems.

Till September 2021, we utilized an enterprise-wide loan management system, Synergy, to provide an integrated platform for loan processing, credit processing, general ledger, debt management and reporting. The Synergy platform assisted in loan processing and enables the automation of loan origination systems, credit underwriting processes, underwriting rules, disbursement processing branch accounting systems and maintaining customer history.

We implemented an enterprise document management system and all customer and loan documents are archived in robust and secure manner. In order to improve customer satisfaction, we implemented CRM service modules which enable our employees to view, capture and respond to customer service-related requests through various channels such as branch walk-ins, call centers and emails.

From October 2021, the Synergy platform has been replaced by our TCS Lending and Securitization Platform as part of our Digital Transformation Program. For further details, see "*– Information Technology – Digital Transformation Program*" on page 174.

Further, we have implemented analytics platforms to enable data backed decision making and develop a comprehensive information management system. We have developed a credit risk scoring engine to provide a credit risk score based upon customer demographics and income profile, which supplements our underwriting process. We utilize our analytics platform to improve business while managing risks. Through this platform, several management information system reports are generated, including on an automated basis, which helps us optimize our operations.

We have implemented an online payment gateway on our website to enable our customers to make their payments via modes such as internet banking, UPI and debit cards. In addition to this, we are integrated with banks and online payment aggregators which enables customer to pay at the nearest collection point as well thereby improving collection efficiency. We conduct regular tracking of our collections team and have provided them with mobile applications to enable them to collect payments from our customers. We also capture latitude and longitude of properties that helps us in easy identification and more accurate valuation, which we believe has helped us reduce our turnaround time for approving loans, as well as achieve a higher accuracy in determining the loan-to-value ratio.

At our branches, we have installed a three-layered multiprotocol label switching security and secure wide area network (SD-WAN), which helps us prevent any unauthorized access to our network, manage network broadcasting and provides security from spoofing attacks. We have also enabled work-from-home for employees through secure VPN access, which has helped ensure continuity of business even during the COVID-19 related lockdown. We have implemented digital human resources management solutions, with attendance, leave management, reimbursements and online learning management capabilities. We have dedicated IT infrastructure with a data center that is hosted at Mumbai, Maharashtra and data recovery center hosted at Hyderabad, Telangana. Our overall infrastructure is designed and deployed with layered security architecture with 24X7 network and security monitoring that assures high up-time for better customer service and acquisition.

Digital Transformation Program

In FY2020, we launched a Digital Transformation program and have appointed TCS to implement their Lending and Securitization Platform across our systems. Our TCS platform was operational in October 2021. As we implemented the TCS platform concurrently across all our branches, there was some disruption in disbursement numbers in October and November 2021 due to the "learning curve" associated with the adoption of a new technological system, which have settled down since mid-November 2021. See "*Risk Factors –We rely significantly on our information technology systems for our business and operations. A failure, inadequacy or security breach in our information technology and telecommunication systems may adversely affect our business, results of operations, cash flows and financial condition*." on page 42. Since mid-November 2021 to the date of this Red Herring Prospectus, all of our active customer accounts have been successfully transferred into our new Lending and Securitization Platform. To ensure the continued smooth operation of our new Lending and Securitization Platform and as part of our Digital Transformation Program to improve and enhance the internal processes, we have implemented the following key initiatives along with platform capabilities:

Digital Onboarding - digitizing the loan life cycle management with omni-channel inputs, capturing leads from multiple sources, rule-based auto-allocation of these leads, customer onboarding with cognitive document extraction and validation, and loan application processing;

Loan Origination - focusing on straight through processing, enabling the credit team to underwrite applications through rule-based deviations and workflows based on customer profile;

Verification Portal - providing secure access to technical, legal and risk containment service providers to render verification services to support credit underwriting;

Loan Servicing - enabling disbursal, repayment schedule management, NPA tracking, interfacing with third-party applications and agencies such as CIBIL, CERSAI and PMAY;

Finance & Accounting – enabling an enterprise wise integrated accounting solution;

GST Integration – enabling capturing and generation of the GST data to be filed in various GST returns;

Collection Management – enabling a real time solution with ability to allocate accounts to agents through a rule-based engine and handling the payments and collections from such agents;

Information Insight – enabling operational reporting for end to end loan life cycle activities.

Analytics – enabling monitoring of loan portfolios, as well as the servicing and performance management of pool investments on a continuous basis;

Mobility Solutions – We have equipped our employees and field staff with the following mobile applications.

a. Sales mobility application has been provided to our field sales team and channel partners for submitting customer leads and documents through a digital onboarding process;
b. Collection mobility application enables our collection staff on field to capture customer payments electronically; and
c. AHFL Connect – employee application provides various digital tools and utilities for employee convenience such as digital business card, mediclaim card, technical visit and property photo capture, video personal discussion, helpdesk, service CRM, letter of authority issuance and litigation video recording.

Customer Engagement – enabling easier and more efficient customer engagement, through our Aadhar Housing website and "Aadhar Housing Finance" mobile application available on in Google Play Store and Apple App Store, which provides a convenient platform to the customers to track their loan balance, make payments and other service requests, as well as refer customer leads, thereby improving customer engagement throughout the lifecycle of the loan. We are also developing our social media channels (such as WhatsApp) which will provide customers easy access to loan application and various loan services.

Digital and Data Analytics

Our data science practice led by our Chief Data Officer ("**CDO**") has been set up based on the concept that a data-driven strategy, coupled with artificial intelligence and machine learning can further our business objectives. The presence of a dedicated CDO function, combined with a centralized approach to data and data science, enables us to implement enhanced controls, standardization, and governance of such processes across organizational processes. This framework helps us mitigate risks, grow our business, perform market research, and strengthen the integration of data and analytics within our operations. Our data science team consists of professionals such as data engineers, visualization and data discovery experts, and data scientists. Our data science team is pivotal in driving innovation and delivering impactful insights for our organization.

Focus Areas

Our primary focus is on improving asset quality by enhancing the robustness our existing risk analytics framework, specifically in credit risk underwriting (application scorecards), collections analysis, and the identification of high-risk customer cohorts using the Red-Amber-Green ("**RAG**") segmentation model. The RAG segmentation model integrates data science in credit underwriting to provide the basis for our risk-based pricing. For instance, based on the application scorecards non-creditworthy loan applicants will be automatically rejected. The RAG segmentation and risk-based pricing facilitate our key objectives of increased operational efficiency in underwriting, improved portfolio risk management, heightened approval rates, and amplified yields. Our branch opening strategy has undergone a transformation, and is driven by data science methodologies. We emphasize on customer retention through data-driven strategies to mitigate outward balance transfers and identify refinancing opportunities.

In addition to these initiatives, we have implemented a comprehensive data warehouse, for our data discovery, visualization, and data science. This helps us in centralizing and disseminating information and insights across various departments such as credit, risk, operations, finance, internal audit, product, and collections, all while upholding data governance and security measures. Access privileges are tailored to individual or group-specific needs, ensuring a secure and controlled environment.

Intellectual Property

We own a combination of trademarks to establish and protect our brands, logos and marketing designs. As of December 31, 2023, (i) we have 12 trademarks, registered with the Registrar of Trademarks under the Trademarks Act; and (ii) one trademark application under Class 36 which is pending. For further details, see "*Risk Factors – We may be unable to protect our brand names and other intellectual property rights which are critical to our business*" on page 37 and "*Government and Other Approvals*" on page 372.

Marketing

Given the demographics and spread of our target audience, we look to connect with prospective customers through our local outreach activities and social media efforts. We undertake activities such as DSA/Aadhar Mitra branding, local marketing activities, local branding and advertising through wall paintings, branding of our Aadhar Mitra boards which helps us to create visibility in our target markets. In addition, we also provide branded merchandise to our partners/ sales force to create a stronger recall with the target audience.

We use our social media handles extensively to communicate and engage with our prospective/ existing customers for promoting our services / updating customers of any new product or service offering. In addition to social media, our website and call center is used extensively for leads/ sourcing of new business at a lower cost.

We conducted a digital brand campaign between September and November 2023, which were focused at our target markets to create a stronger awareness for the brand 'Aadhar' and a brand recall. We highlighted our brand philosophy of non-discrimination towards home buyers during this campaign. This campaign was supported by our social media and public relations channels.

We also extensively utilize public relations initiatives to create awareness among our target audience and stakeholders, which aids in creating a stronger goodwill and brand equity in the market.

Competition

The housing finance industry in India is highly competitive. We face competition from other HFCs, NBFCs and scheduled commercial banks on the range of product offerings, interest rates, fees and customer service, as well as for skilled employees. Our primary competitors include Aavas Financiers Limited, Home First Finance Company India Limited, Aptus Value Housing Finance India Limited, and India Shelter Finance Corporation Limited. For further details, see "*Industry Overview*" on page 118.

Insurance

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include directors' and officers' liability insurance, and we also have a combined corporate policy which covers, among others, public liability insurance, fidelity insurance, burglary, fire and allied perils, breakdown of office equipment, and terrorism cover. In addition, we have a money insurance policy pertaining to cash in safes and in transit.

Our insurance coverage (on a consolidated basis), as of December 31, 2023 is as follows:

A) Property, Plant & Equipment:

Particulars	Amount of Tangible Assets* (₹ in millions)	Percentage of total Assets (in %)	Percentage of insurance coverage (in %)
Insured Tangible Assets*	280.0	0.2%	100.0%

**Net book value of property, plant and equipment (excluding right of use assets and freehold land), capital work-in-progress and investment property of our Company and its subsidiaries as at the end of the nine months period ended December 31, 2023, with the details computed on a consolidated basis as of and for the nine months period ended December 31, 2023 from the Restated Consolidated Financial Information.*

B) Other Insurance coverage

Particulars	Sum Assured (₹ in millions)	Percentage of total assets	Percentage of insurance coverage (in %)
Money Policy	1,896.0	NA	NA
Directors & officers	1,000.0	NA	NA
Fidelity Guarantee	95.9	NA	NA
Run off Directors and Officers	140.0	NA	NA
Cyber Liability including Data Liability cover	600.0	NA	NA

Loans granted by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or undertaking to create a security and/or assignment of life insurance policies and/or personal guarantees and/or hypothecation of assets and are considered appropriate and good. Other financial assets such as bank balances and receivables and non-financial assets such as intangible assets are not insured.

Employees

The following table sets forth our employee details as of December 31, 2023:

Particulars	Number of Employees
Branch Management	276
Business Development	82
Business Process Re-engineering	3
Sales	1,482
Collections	414
Product	9
Marketing	8
Insurance	1
Credit	495
Operations	535

Particulars	Number of Employees
Technical	305
Legal	46
Risk Containment Unit	36
Information Technology	23
Finance	36
Human Resources	39
Corporate Social Responsibility	2
Administration	28
Risk Management	17
Internal Audit	18
Secretarial	4
Data Science	21
CEO's office	3
Compliance	2
Total	**3,885**

The number of our employees on roll as of FY2021, FY2022, FY2023 and December 31, 2023 was 2,310, 2,769, 3,663 and 3,885, respectively. The increase in the number of our employees on roll in FY2023 compared to FY2022 and FY2021 is due to branch expansion plan and higher disbursal. The number of employees in our 100% subsidiary, ASSPL, as of FY2021, FY2022, FY2023 and December 31, 2023 was 1,513, 1,342, 1,955 and 1,875, respectively. The decrease in the number of employees in our 100% subsidiary as of December 31, 2023 compared to FY2023 is due to a decrease in number of frontline sales employees. The following table sets forth the details of ASSPL's employees as of December 31, 2023:

Particulars	Number of Employees
Sales	955
Collections	768
Operations	55
Technical	49
Information Technology	14
Finance	9
Risk Containment Unit	8
Credit	6
Administration	6
Internal Audit	2
Risk Management	1
Human Resources	1
Product	1
Total	**1,875**

Corporate Social Responsibility

Our long-term goal is to be able to contribute to a fair society where everyone can prosper. In addition to the social objectives that are at the core of our business, we also undertake various CSR initiatives. Through our CSR initiatives, we have pledged to contribute to the socio-economic development of the society through our philanthropic approach.

We have undertaken several initiatives towards promoting preventive healthcare and sanitation facilities, providing employment through enhancing vocational skills, ensuring early child care and education, prevention of hunger by providing food, supporting training of para-athletes and various such other activities that are focused primarily towards the improvement of health, education and skilling. We have incurred or accrued ₹41.7 million in FY2021, ₹60.0 million in FY2022 and ₹82.1 million in FY2023 on various CSR activities.

Set forth below are details of some of our key CSR initiatives for FY2023, and until the date of this Red Herring Prospectus.

Project	Project Focus
Aayushmaan Aadhar	Health camps were held across various cities in India for the lesser privileged sections of the society. Curative and preventative treatments were provided at these camps, including overall physical examination, basic assessment of the vital organs, nutrition, and gynecological counseling. The project focused on reducing the challenges faced by physically disabled individuals by providing prosthetic aids such as Jaipur Foot, Calipers, Crutches and Hand. The intervention also focuses on early identification of diseases and timely medical intervention among women through teleconsultation and telemedicine services.
Aadhar Kaushal	The project focused on extending financial assistance to aspiring meritorious students from economically marginalized families for their entire academic tenure. The scholarship was provided for vocational, technical and college level studies. The project also focused on providing 250 youth from underserved sections of the society living in

Project	Project Focus
	slums and poor localities with employable skills along with soft skills which would equip them with job opportunities and enable them to become self-reliant and contributing members of the society. Support was also extended for setting up and developing the infrastructure within police stations in Delhi, with an aim to extend a conducive environment to the students from economically weak segment who were preparing for competitive examinations and higher studies at the police station.
Aadhar Aangan	An initiative aimed at ensuring nutrition, early childhood education and care through capacity building of frontline workers.
Aadhar Kishori Kalyan	The project focused on supporting the rehabilitation skill training, and empowerment of acid attack survivors. Furthermore, the intervention also aimed at strengthening the sustainability and infrastructure of the training centers in three cities of India for community-based peer recovery and upskilling. The project aimed to create sustainable livelihood for young women from the semi-urban areas of India by identifying their skills sets, providing the necessary skill training and making them self-sufficient.
Aadhar Annapurna	The project focused on providing healthy and balanced midday meals to government school children across six cities in India with an aim to address their nutritional gap.
Aadhar Khel Kaushal	The project focused on extending support for training and preparations of Indian para-athletes for the Paralympics.

Properties

Our registered office, which is located at 2nd Floor, No. 3, JVT Towers, 8th 'A' Main Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka, India, is on leased premises, and our corporate office which is located at Unit No. 802, 8th Floor, Natraj by Rustomjee, Junction of Western Express Highway and M. V. Road, Andheri (East), Mumbai 400 069, Maharashtra, India, has been taken on a license basis. Our registered office and our corporate office have been leased from unrelated third parties and a portion of our corporate office has been sublet under a sub-lease agreement to our Subsidiary. As of December 31, 2023, we conducted our operations through 11 regional and corporate offices, 487 branches including 109 sales offices and the premises of all our branches have been taken on a lease or leave and license basis. The period of lease typically ranges from 11 months to nine years, and the rentals are typically payable on the basis of prevailing market rates depending on the geographical location of the property. Save for the sub-lease of a portion of our corporate office to our Subsidiary, none of the lease agreements have been entered into with related parties. For further details, see "*Risk Factors – We do not own our branches, sales offices, regional and corporate offices, including our Registered Office and Corporate Office. Any termination or failure by us to renew the lease/ leave and license agreements in a favorable and timely manner, or at all, could adversely affect our business and results of operations. Moreover, many of the lease/ leave and license agreements entered into by us may not be duly registered or adequately stamped*" and "*Restated Consolidated Financial Information– Notes to Restated Consolidated Financial Information – Note 44.a) Related party transactions*" on pages 33 and 316, respectively.

Description	Area (Square Feet)	Lease Period
Registered office: 2nd Floor, No. 3, JVT Towers, 8th 'A' Main Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka, India	4,000	Nine year period beginning from February 19, 2018
Corporate office: Unit No. 802, 8th Floor, Natraj by Rustomjee, Junction of Western Express Highway and M. V. Road, Andheri (East), Mumbai 400 069, Maharashtra, India	10,088	Five year period beginning from March 15, 2021

KEY REGULATIONS AND POLICIES IN INDIA

Given below is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this chapter has been obtained from various statutes, regulations and/or local legislations and the bye laws of relevant authorities that are available in the public domain. This description may not be exhaustive and is only intended to provide general information to investors, and is neither designed, nor intended as a substitute for professional legal advice. For details see, "Government and other Approvals" beginning on page 372.

The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Introduction - Registration as a Housing Finance Company and generally applicable regulations

Our Company, being an HFC registered with the NHB, is primarily engaged in the business of providing loans and advances for housing activities. For details in relation to our registrations obtained from the NHB, see "*Government and other Approvals*" beginning on page 372.

The NHB was set up pursuant to the NHB Act as the principal agency to promote housing finance institutions and to provide financial and other support to such institutions. In terms of the NHB Act, the primary objectives of the NHB, *inter alia, include* (i) promotion and establishment, or aiding the promotion and establishment of housing finance institutions; (ii) making of loans and advances or rendering any other form of financial assistance for housing activities to housing finance institutions, scheduled banks, State cooperative agricultural and rural development banks or any other institution or class of institutions as may be notified by the Central Government; (iii) dealing in bills of exchange, promissory notes and other instruments; and (iv) formulating schemes for the mobilisation of resources and extension of credit for housing.

Pursuant to the Finance (No. 2) Act, 2019, the NHB Act was amended to transfer the regulating authority for the housing finance sector from NHB to RBI. Accordingly, amongst others, (i) HFCs are now required to apply to the RBI for registration under the NHB Act, in place of the NHB; and (ii) the RBI has now been conferred the power to (a) determine the percentage of assets to be maintained in terms of its investments and purpose for appropriation of reserve fund; and (b) regulate, by specifying conditions or prohibit the issue by any HFC of any prospectus or advertisement soliciting deposits of money from the public. However, the NHB Act Amendments retain certain powers with the NHB, in addition to conferring such powers on the RBI, such as power to conduct inspections and request for documents from the HFCs.

In terms of the NHB Act, the NHB has the power to direct HFCs to furnish to the NHB and the RBI such statements, information or particulars as may be specified by the NHB. The NHB may, or on being directed to do so by the RBI shall, cause an inspection to be made of any deposit accepting HFC for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for the purpose of obtaining any information or particulars which the HFC has failed to furnish on being called upon to do so.

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

Accordingly, activities of HFCs, are primarily regulated by the RBI and the NHB, including various aspects of our business such as definition of housing finance and housing finance company, net owned fund requirement, capital adequacy, sourcing of funds, on-boarding of customers, credit approval and risk management and asset classification and provisioning. Certain other generally applicable legislations as set out below also regulate other aspects of our business such as recovery of debt and taxation.

Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 ("RBI Master Directions - HFC")

Definition of housing finance and housing finance company

The RBI Master Directions – HFC define the term 'housing finance' as financing purchase/construction/ reconstruction/renovation/repairs of residential dwelling units, which includes *inter alia* loans to individuals or group of individuals including co-operative societies for construction or purchase of new dwelling units, loans to individuals or group of individuals for purchase of old dwelling units and loans to individuals or group of individuals for purchasing old or new dwelling units by mortgaging existing dwelling unit. Further, a 'housing finance company' is defined as a company incorporated under the Companies Act that fulfils the following conditions:

(i) It is an NBFC (the company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income) whose financial assets, in the business of providing finance for housing, constitute at least 60% of its total assets (netted off by intangible assets); and

(ii) Out of the total assets (netted off by intangible assets), not less than 50% should be by way of housing finance for individuals.

Net owned fund

In terms of the RBI Master Directions – HFC, HFCs are required to maintain a minimum net owned fund of ₹ 200 million to commence with the business of housing finance as its principal business or to carry on the business of a HFC.

Capital adequacy

As per the RBI Master Directions – HFC, we are required to maintain a minimum capital ratio, consisting of tier I capital and tier II capital. Currently, HFCs are required to maintain a minimum capital ratio on an ongoing basis, consisting of tier I and tier II capital, of not less than 15% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. At a minimum, tier I capital of HFCs cannot be less than 10% and the total tier II capital at any point of time, should not exceed 100% of tier I capital.

Accounting Standards

As per the RBI Master Directions – HFC, HFCs that are required to implement Ind As as per the Companies (Indian Accounting Standards) Rules, 2015 shall prepare their financial statements in accordance with Ind AS notified by the Government of India and comply with the regulatory guidance specified in terms of the RBI Master Directions – HFC. Other HFCs are required to comply with the requirements of notified accounting standards insofar as they are not inconsistent with any of the directions provided under the RBI Master Directions– HFC.

Source of funds

HFCs can generally raise funds by way of borrowings or through equity. The sourcing of funds by HFCs is primarily regulated by the RBI, NHB, and SEBI. The limits on borrowings by HFCs are governed by the RBI Master Directions – HFC. The RBI Master Directions – HFC currently permit HFCs to borrow up to 12 times of their net owned funds as at the end of the immediately preceding financial year. Further, the RBI Master Directions – HFC require HFCs to have in place a board approved policy for resource planning, which, inter alia, should cover the planning horizon and the periodicity of private placement of non-convertible debentures.

In accordance with the RBI Master Directions – HFC, the Company has put in place a board approved policy for resource planning ("**Resource Planning Policy**"). The Resource Planning Policy seeks to maintain a balance in the source of funds by borrowing from the debt capital market as well as traditional borrowings from banks and others, reduce the weighted average cost of borrowing by borrowing across multiple maturities, support disbursement growth by providing adequate liquidity, and proper balancing of asset and liability mismatch within the permitted tolerance level.

Other borrowings

HFCs can issue non-convertible debentures ("**NCDs**") only for deployment of funds on its own balance sheet. Such issue of NCDs is governed by the RBI Master Directions – HFC, which amongst others, includes eligibility requirements and conditions in relation to the credit rating and maturity of such NCDs, and compliance with the Companies Act and the applicable laws.

Recently, the RBI has issued Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity upto one year) Directions, 2024, which will come into force with effect from April 01, 2024. All companies, including HFCs are eligible issuers under these directions. The commercial papers and NCDs are required to be issued in a dematerialised form and in minimum denominations of ₹ 0.5 million and in multiples of ₹ 0.5 million thereafter. The tenor of such NCDs cannot be less than ninety days or more than one year and the tenor of the commercial papers shall not be less than seven days and more than a year. The directions lay down other requirements in relation to the credit rating and maturity of such NCDs.

External commercial borrowings ("**ECB**") are commercial loans raised by eligible resident entities from recognised non-resident entities in terms of the ECB Master Directions. While availing such ECBs, HFCs are required to conform to parameters such as minimum maturity, permitted and non-permitted end-uses, maximum all-in-cost ceiling, etc. set out in the ECB Master Directions.

Term Loans

In terms of the Master Circular – Housing Finance dated July 1, 2015 issued by the RBI, banks are permitted to grant term loans to HFCs considering (long-term) debt-equity ratio, track record, recovery performance and other relevant factors including the other applicable regulatory guidelines.

Acquisition / Transfer of Control

In addition to raising funds though borrowings, HFCs may also raise funds by way of issue of its equity shares. In terms of the RBI Master Directions – HFC, prior written permission of RBI shall be required for (i) any takeover or acquisition of control of an HFC, which may or may not result in change of management; (ii) any change in the shareholding of an HFC accepting or holding public deposits, including progressive increases over time, which would result in acquisition or transfer of shareholding of 10% or more of the paid-up equity capital of the HFC by or to a foreign investor; or (iii) any change in the shareholding of an HFC, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital of the HFC.

For details on foreign investment in a HFC, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 423.

However, no such approval is required in case of any shareholding going beyond 10% or 26%, as applicable, due to buyback of shares or reduction in capital where it has approval of a competent court. However, the same shall be reported to the NHB not later than one month from the date of its occurrence.

Further, RBI Master Directions – HFC requires prior public notice about change in control/management. A public notice of at least 30 days shall be given before effecting the sale of, or transfer of the ownership by sale of shares, or transfer of control, whether with or without sale of shares. Such public notice shall be given by the HFCs and also by the other party or jointly by the parties concerned, after obtaining the prior permission of the RBI.

On-boarding of customers and marketing

a. *Advertising, Marketing and Sales*

The fair practices code prescribed under the RBI Master Directions – HFC ("**Fair Practices Code**"), is applicable to all the products and services, whether they are provided by the HFCs, its subsidiaries or digital lending platforms (self-owned or under an outsourcing arrangement) across the counter, over the phone, by post, through interactive electronic devices, on the internet or by any other method. In terms of the Fair Practices Code, HFCs are required to ensure that advertising and promotional material is clear and not misleading and that privacy and confidentiality of the customers' information is maintained.

The Fair Practices Code also prescribes certain requirements applicable at the time of applications for loans, loan appraisal and disbursement of loans. For instance, HFCs are *inter alia* required to (i) include in the loan application forms all necessary information so that the applicant may make a meaningful comparison with the terms offered by other HFCs; (ii) devise a system of giving acknowledgement for receipt of all loan applications; and (iii) communicate in writing the reasons for rejection of the application. Further, whenever loans are given, HFCs should explain to the customer the repayment process, including the amount, tenure and periodicity of repayment.

Further, HFCs are required to adopt the model code of conduct for direct selling agents/direct marketing agents as per the RBI Master Directions – HFC, with the approval of their Board.

b. *Know you customer and prevention of money laundering*

In terms of the provisions of the PMLA and the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, HFCs are required to follow certain customer identification procedures while undertaking a transaction either by establishing an account based relationship or otherwise by monitoring their transactions.

As per the RBI Master Directions – HFC, the Master Direction – Know Your Customer (KYC) Direction, 2016 ("**KYC Direction**"), as amended is applicable to HFCs. The KYC Direction requires an HFC to formulate a board approved KYC policy which is required to include four key elements (i) customer acceptance policy formulated by a HFC, which includes requirements applicable at the time of opening of the account by the customers and client due diligence requirements; (ii) risk management policy, which requires risk categorization of customers based on certain parameters such as identity, social/financial status, nature of business activity and information on client's business and their location, etc.; (iii) customer identification procedures, *inter alia*, at the time of commencement of an account based relationship, when there is a doubt about the authenticity or adequacy of the customer identification data, when carrying out international money transfer for non-account holder, when selling third party products; and (iv) customer due diligence procedures, which involves obtaining certain identification documents (such as PAN, Aadhaar number or any other officially verified document) from the individual when he establishes an account based relationship or when dealing with the individual who is the 'beneficial owner', authorised signatory or power of attorney holder related to the legal entity.

Corporate Governance

The corporate governance directions prescribed in the RBI Master Directions – HFC are applicable to all HFCs. All HFCs are required to constitute, amongst others, an audit committee, a nomination and remuneration committee, and a risk management committee, beside an asset liability management committee. The audit committee must ensure that an information system audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced.

At regular intervals, as may be prescribed, the progress made in putting in place a progressive risk management system and risk management policy and strategy followed by the HFC must be placed before the board of directors. The HFCs are also required to adhere to certain other norms in connection with disclosure, transparency and rotation of statutory audit firms. HFCs are also required to frame internal guidelines on corporate governance standards which are also to be put up on their website for information of various stakeholders.

Further, HFCs shall ensure that a policy is put in place with the approval of the board of directors for ascertaining the 'fit and proper' criteria of the directors at the time of appointment, and on a continuing basis. The policy on the 'fit and proper' criteria shall be on the lines of the guidelines contained in the RBI Master Directions – HFC.

Appointment of a Chief Risk Officer

The RBI Master Directions – HFC provide for appointment of a Chief Risk Officer ("**CRO**") for HFCs with an asset size of more than ₹ 50 billion with clearly specified role and responsibilities. The CRO shall be a senior official in the hierarchy of an HFC with adequate professional qualification/expertise in the area of risk management.

The office of the CRO shall be an independent office with direct reporting lines to the managing director and the chief executive officer or risk management committee of the board of directors of the HFC. As per the RBI Master Directions – HFC, the CRO is required to be tasked with the identification, mitigation and measuring of risk. Further, all credit products (retail or wholesale) shall be vetted by the CRO from the angle of inherent and control risks. The CRO's role in deciding credit proposals shall be limited to being an advisor. In HFCs that follow committee approach in credit sanction process for high value proposals, if the CRO is one of the decision makers in the credit sanction process, they shall have voting power and all members shall be individually and severally liable for all the aspects, including risk perspective related to the credit proposal.

Credit Approval and Disbursement

In terms of the RBI Master Directions – HFC, no HFC can grant housing loans to individuals up to (i) ₹ 3 million with Loan to Value ("**LTV**") ratio exceeding 90%; (ii) above ₹ 3 million and up to ₹ 7.50 million with LTV ratio exceeding 80%; and (iii) above ₹ 7.50 million with LTV ratio exceeding 75%. Further, in terms of the RBI Master Directions – HFC, no HFC shall lend to any single borrower an amount exceeding 15% of its owned fund, and to any single group of borrowers, an amount exceeding 25% of its owned fund. Additionally, the disbursement of the loans should be strictly linked to the stages of construction of the housing projects or houses and upfront disbursal shall not be made in case of incomplete, under-construction or green field housing project or houses. HFCs are also required to set up a well-defined mechanism for effective monitoring of the various stages of construction and for ensuring that the consent of the borrower is taken before disbursing the said amount to the builder or developer. The RBI Master Directions – HFC also require HFCs to maintain LTV ratio of 50% for loans against collateral of listed shares. Further, HFCs shall maintain a LTV ratio not exceeding 75% for loans granted against the collateral of gold jewellery, and shall put in place a board approved policy for lending against gold.

Further, the Fair Practices Code requires HFCs to convey certain terms and conditions at the time of sanction of loans such as the annualised interest rate, equated monthly instalments **("EMI")** structure and prepayment charges. Further, our internal credit policy lays down the requirements for various customer profiles including salaried, self-employed professionals/non-professionals and non-individual entities. The internal credit policy has also laid down clear rules for determining as to who can be an eligible applicant.

Acceptance/renewal of public deposits

In terms of the RBI Master Directions – HFC, an HFC cannot accept or renew public deposit unless the it has obtained minimum investment grade rating for fixed deposits from any one of the approved credit rating agencies, at least once a year and a copy of the rating is sent to the NHB and it is complying with all the prudential norms.

Asset classification, Provisioning and Income Recognition

In terms of the RBI Master Directions – HFC, HFCs shall also be required to maintain a prudential floor in respect of impairment allowances and follow instructions on regulatory capital. However, for regulatory and supervisory purposes, including various kinds of reporting to the NHB and the RBI, HFCs are required to follow the relevant provisions of NHB Act and RBI Master Directions – HFC including framework on prudential norms and other related circulars issued in this regard by the RBI from time to time.

Every HFC is required to, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease or hire purchase assets, loans and advances and any other forms of credit into standard assets, sub-standard assets, doubtful assets, and loss assets. Further, every HFC is required to make provisions against sub-standard assets, doubtful assets and loss assets in accordance with provisioning requirements provided under the

RBI Master Directions – HFC, after taking into account the time lag between an account becoming NPA, its recognition as such, the realization of the security, and the erosion over time in the value of security charged.

The RBI Master Directions – HFC require that income recognition should be based on recognized accounting principles. Amongst others, income including interest, discount or any other charges on NPA shall be recognized only when it is actually realised. Any such income recognized before the asset became NPA and remaining unrealized shall be reversed, as per the RBI Master Directions – HFC.

Wilful Defaulters

The RBI Master Directions – HFC also prescribe a system to disseminate credit information pertaining to wilful defaulters for cautioning housing finance companies so as to ensure that further finance is not made available to them. Detailed guidelines in this regard are prescribed in the RBI Master Directions – HFC and said guidelines are prescribed to put in place the mechanism of reporting the information on wilful defaults of ₹ 2.5 million and above by HFCs to all Credit Information Companies.

Reporting

In addition to the financial reporting requirements, such as submissions of copies of balance sheet and accounts together with the directors' report to the NHB, as prescribed under the RBI Master Directions – HFC, reporting requirements in relation to monitoring of frauds shall be governed in terms of the Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, as amended. Further, in terms of the RBI Master Directions – HFC, HFCs are also required to comply with the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, 2023 as amended, which will come into force from April 1, 2024.

The reporting under the Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016, as amended and the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices, 2023, as amended, are required to be done to the NHB.

Recovery of dues

In the event customers do not adhere to the repayment schedule for loans provided by the HFCs, the Fair Practices Code requires the HFCs and its members and staff to follow the defined process provided under the applicable law during collection and security repossession. In the event, the HFC hires recovery agents for this purpose, they are required to comply with the guidelines provided in the RBI Master Directions – HFC, which includes requirements such as due diligence while hiring such recovery agents, training of recovery agents and regulating the methods employed by such recovery agents.

In terms of the RBI's circular on 'Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents' dated August 12, 2022, regulated entities, which includes HFCs, shall strictly ensure that they or their agents do not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude upon the privacy of the debtors' family members, referees and friends, sending inappropriate messages either on mobile or through social media, making threatening or anonymous calls, persistently calling the borrower or calling the borrower before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans, making false and misleading representations, etc.

RBI framework for compensation to customers for delayed updation/rectification of credit information dated October 26, 2023 ("Compensation Framework")

Pursuant to the RBI Master Directions – HFC, all HFCs are required to become members of all Credit Information Companies ("**CICs**") and submit data (including historical data) to them. Further, HFCs are required to comply with *inter alia* the Compensation Framework, which mandates CICs and Credit Institutions ("**CIs**") to implement a framework for delayed updation/rectification of credit information by CIs and CICs as set out in the Compensation Framework. According to the Compensation Framework, complainants shall be entitled to a compensation of ₹100 per day in case their complaint is not resolved within a period of 30 days from the date of the initial filing of the complaint by the complainant with a CI or CIC. The compensation amount is required to be credited to the bank account of the complainant within five working days of the resolution of the complaint and the complainant can approach RBI Ombudsman, under the Reserve Bank - Integrated Ombudsman Scheme, 2021, in case of wrongful denial of compensation by CIs or CICs.

Master Directions – Reserve Bank of India (Priority Sector Lending)– (Targets and Classifications) Directions, 2020 ("PSL Master Directions")

The PSL Master Directions govern, *inter alia*, priority sector advances and loans granted by scheduled commercial banks (excluding regional rural banks, small finance banks and local area banks) to HFCs (approved by NHB for the purpose of refinance), for on-lending for purchase, construction or reconstruction of individual dwelling units or for slum clearance and rehabilitation of slum dwellers, subject to an aggregate loan limit of ₹ 2 million per borrower. The bank credit limit under the PSL Master Directions to HFCs for on-lending, as mentioned above, is restricted to 5% of the individual bank's total PSL. The average maturity of such priority sector assets created by those who are eligible intermediaries should be co-terminus with the maturity of the bank loan.

RBI circular on Co-lending by Banks and NBFCs to Priority Sector dated November 5, 2020

The RBI introduced the co-lending model to increase the affordability and outreach of capital to underserviced sections of the economy. By entering into co-lending arrangements, banks and NBFCs can combine the relative advantages of the two to provide financial services.

Banks are permitted to co-lend with all registered NBFCs (including HFCs) based on a prior agreement. The co-lending banks will take their share of the individual loans on a back-to-back basis in their books. However, NBFCs are required to retain minimum 20% share of the individual loans on their books. The bank and the HFC will have to maintain their own individual customer accounts but there is a requirement for the funds to be disbursed via an escrow account, maintained with the banks. The master agreement may contain necessary clauses on representations and warranties which the originating HFC shall be liable for in respect of the share of the loans taken into its books by the bank. The co-lenders are mutually required to set up a framework for loan monitoring and recovery, grievance redressal mechanism, arrange for the creation of security and charge and ensure compliance with internal guidelines.

Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("RBI Master Directions")

Pursuant to the RBI circular on 'Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs' dated October 22, 2021, the RBI created a regulatory structure for NBFCs, comprising four layers, based on their size, activity, and perceived riskiness. NBFCs in the lowest layer is known as NBFC - Base Layer; NBFCs in middle layer and upper layer are known as NBFC - Middle Layer and NBFC - Upper Layer, respectively. The Top Layer is known as NBFC - Top Layer, which is ideally supposed to be empty, but may contain entities in the future, if the RBI is of the opinion that there is a substantial increase in the potential systemic risk from specific NBFC – Upper Layer entities. The RBI Master Directions prescribe specific regulatory changes for each of the different layers in the regulatory structure, that is, prudential regulations, regulatory restrictions and limits, governance guidelines and the transition path.

RBI circular on Compliance Function and Role of Chief Compliance Officer (CCO) – NBFCs dated April 11, 2022

In terms of the abovementioned circular, which is applicable to NBFCs in the upper layer and middle layer, the applicable entities are required to *inter alia* put in put in place a board approved policy and a compliance function, including the appointment of a chief compliance officer, based on the framework stipulated in the said circular. As per the circular, the chief compliance officer shall be the nodal point of contact between the NBFC and the regulators or supervisors and shall necessarily be a participant in the structured or other regular discussions held with RBI. Further, compliance to RBI inspection reports shall be communicated to RBI necessarily through the office of the compliance function.

Refinance Assistance from NHB

NHB offers refinance assistance to primary lending institutions in respect of their housing loans to individuals, and also for their loans to other institutions for housing finance and construction finance for affordable housing. In terms of the 'Booklet On Refinance Schemes of National Housing Bank', which came into force on November 26, 2021 ("**Booklet on Refinance Schemes**"), issued by the NHB, the eligibility criteria for an HFC, being a primary lending institution, to draw refinance from NHB are *inter alia* (i) HFC should be registered with the NHB to carry out housing finance activity in the country; (ii) HFCs are required to provide long-term finance for purchase, construction, repair and upgrading of dwelling units by home-seekers; (iii) at least 51% of the total tangible assets less cash & bank balance should be utilised for individual housing loans; (iv) The HFC should have a net owned fund of not less than ₹100 million; (v) the HFC should comply with the provisions of the NHB Act, as amended from time to time; and (vi) the NNPA of the HFC should not be more than 3.50% of the net advances, as defined in the Booklet on Refinance Schemes.

The NHB provides refinance assistance in terms of its various refinance schemes such as the regular refinance scheme, special urban housing refinance scheme for low income households and the affordable housing fund, each of which set out certain restrictions applicable to loans provided by the HFCs in terms of their loan size, tenure, location of property and the ultimate borrower in some cases. The terms of the re-finance assistance, such as the tenure and interest rate applicable is subject to eligibility of the loans under the respective schemes. For instance, while the regular refinance scheme provides for refinance assistance in respect of housing loans extended by HFCs for, amongst others, construction and purchase of dwelling units with no restrictions on loan size, location and the ultimate borrowers of such loans, the affordable housing fund includes eligibility conditions based on the annual household income of the borrowers depending on the location of the property being in urban or rural areas, as prescribed thereunder.

Further, in terms of the NHB Refinance Circular - External Rating of the Refinance Facilities availed from National Housing Bank (NHB) dated March 29, 2023, HFCs are advised to obtain external rating for all the facilities availed from NHB based on their last available financials from any of the RBI accredited rating agencies and submit the same to NHB at the earliest.

Risk Management Framework - Asset Liability Management

The NHB has, by way of its circular dated October 11, 2010, prescribed guidelines for asset liability management system in HFCs ("**ALM Guidelines**"). In terms of the ALM Guidelines, HFCs are exposed to several major risks in the course of their business. These risks include credit risk, interest rate risk, equity/commodity price risk, liquidity risk and operational risk. In terms of the ALM guidelines, the asset liability management ("**ALM**") process involves, amongst others, (i) ALM information systems, which includes management information systems and availability of information and accuracy, adequacy and expediency thereof; (ii) ALM organisation, which includes involvement of top level management; and (iii) identification, measurement and management of risks and having in place risk policies and tolerance levels. Further, the scope of the ALM function of the HFC includes, amongst others, liquidity risk management, management of market risks, funding and capital planning, profit planning and growth projection, forecasting and analysing 'what if scenario' and preparation of contingency plans.

RBI circular on Risk-based Internal Audit ("RBIA") dated February 3, 2021 ("RBIA Guidelines")

By means of circular no. RBI/2021-22/53 DoS.CO. PPG.SEC/03/11.01.005/2021-22 dated June 11, 2021, RBI extended the applicability of the RBIA Guidelines to all deposit taking HFCs and every non-deposit taking HFC with assets size of ₹ 50 billion and above, ("**Applicable HFC**").

The RBIA Guidelines, inter alia, are intended to enhance the efficacy of internal audit systems and contribute to the overall improvement of governance, risk management and control processes of the Applicable HFCs. Under the RBIA Guidelines, the Applicable HFCs are *inter alia* required to formulate a RBIA policy with the approval of the board of directors. The RBIA policy must be reviewed periodically and it shall clearly document the purpose, authority, and responsibility of the internal audit activity, with a clear demarcation of the role and expectations from risk management function and RBIA function. Further, the RBIA Guidelines also require that the risk assessment of business and other functions of the Applicable HFCs should be conducted at least on an annual basis.

The National Housing Bank Master Circular – Returns to be submitted by Housing Finance Companies (HFCs) dated December 31, 2021

As per the Master Circular – Returns to be submitted by Housing Finance Companies (HFCs) dated December 31, 2021, as amended, HFCs are required to put in place a reporting system for filing various returns to the NHB with respect to their deposit acceptance, prudential norms compliance, ALM etc.

As per the circular, the compilation of the returns should be on the basis of the figures available in the books of account of the HFC. HFCs which are covered under Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and are required to prepare its financial statement by complying with Ind AS, are required to submit all returns based on Ind AS financials. The reporting is required to be made online within the prescribed timeframe through the Centralised Reporting and Management information System (CRaMIS) portal. Further, HFCs are required to strictly adhere to the timeframe prescribed in the circular for submitting returns to the NHB failing which the concerned HFCs would be liable for penal action under the provisions of NHB Act.

RBI Guidelines on Digital Lending dated September 2, 2022 ("Digital Lending Guidelines")

In terms of the Digital Lending Guidelines, the regulated entities, which includes HFCs, shall ensure that the Lending Service Provider ("**LSP**") engaged by them and the Digital Lending App ("**DLA**") (either of the regulated entity or of the LSP engaged by the regulated entity) comply with the Digital Lending Guidelines. Regulated entities shall ensure that all loan servicing, repayment, etc., shall be executed by the borrower directly in the regulated entities' bank account without any pass-through account or pool account of any third party.

As per the Digital Lending Guidelines, the disbursements shall always be made into the bank account of the borrower except for disbursals covered exclusively under statutory or regulatory mandate (of RBI or of any other regulator), flow of money between regulated entities for co-lending transactions and disbursals for specific end use, provided the loan is disbursed directly into the bank account of the end-beneficiary. In terms of the Digital Lending Guidelines, HFCs and other regulated entities shall ensure that in no case, disbursal is made to a third-party account, including the accounts of LSPs and their DLAs, except as provided for in Digital Lending Guidelines.

Further, the Digital Lending Guidelines require the regulated entities to conduct enhanced due diligence before entering into a partnership with a LSP for digital lending, taking into account its technical abilities, data privacy policies and storage systems, fairness in conduct with borrowers and ability to comply with regulations and statutes. HFCs and other regulated entities are also required to carry out periodic review of the conduct of the LSPs engaged by them and impart necessary guidance to LSPs acting as recovery agents to discharge their duties responsibly and ensure that they comply with the required instructions.

NHB Circular on Early Warning Signals Framework in HFCs dated April 26, 2023

In term of the abovementioned circular, HFCs are required to adopt an early warning signals framework, so that an alert is triggered before the account turns into NPA or is declared as a fraud account. The early warning signals framework shall be put in place by the HFCs by April 1, 2024. Further, as per the circular, tracking of the early warning signals must be integrated with the credit monitoring process in the systems of the HFCs so that it becomes a continuous activity.

The circular lays down a suggestive list of early warning signals indicators which *inter alia* includes (i) disbursement of loan done without meeting all pre-disbursement conditions; (ii) disbursement of loan done without collecting all the documents as prescribed in the legal report or valuation report; and (iii) adverse developments in the sector in which the borrower is employed, etc. The circular contains an indicative list of indicators and HFCs are advised to add other indicators based on their experience.

Master Direction – Reserve Bank of India (Outsourcing of Information Technology Services) Directions, 2023 ("IT Outsourcing Directions")

The master direction by the RBI provides guidelines for outsourcing information technology services by regulated entities, including the HFCs. The directions recognise the extensive usage of information technology and information technology enabled services to support the business models, products and services offered by regulated entities to their customers. The aim of the IT Outsourcing Directions is to ensure that outsourcing arrangements neither diminish the regulated entities' ability to fulfil its obligations to customers nor impede effective supervision by the RBI. As per the IT Outsourcing Directions, a regulated entity shall take steps to ensure that the service provider employs the same high standard of care in performing the services as would have been employed by the regulated entity, had the same activity not been outsourced. The regulated entities are required to ensure that their service providers develop and establish a robust framework for documenting, maintaining, and testing business continuity plan and disaster recovery plan.

A regulated entity can also outsource any IT activity or IT enabled service within its business group/conglomerate, subject to conditions specified in the directions. Regulated entities intending to outsource any of its IT activities are required put in place a comprehensive board approved IT outsourcing policy which shall incorporate, inter alia, the roles and responsibilities of the board, committees of the board (if any) and senior management, IT function, business function as well as oversight and assurance functions in respect of outsourcing of IT services. The IT Outsourcing Directions also require regulated entities to immediately notify the RBI in the event of breach of security and leakage of confidential customer related information. Further, the RBI has the power to impose penalties for violations of the directions.

RBI Master Circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated April 1, 2023 ("IRACP Norms")

In terms of the IRACP Norms, banks are required to classify NPAs into (i) sub-standard assets; (ii) doubtful assets; and (iii) loss assets. Banks are required to establish appropriate internal systems (including technology enabled processes) for proper and timely identification of NPAs and shall not take into account the availability of security or net worth of the borrower or guarantor for the purpose of treating an advance as an NPA or otherwise, except in the cases laid down in the IRACP Norms. Further, the IRACP Norms also lay down provisioning requirements specific to the classification of the assets based on the period for which the asset has remained non-performing and the availability of security and the realisable value thereof.

RBI circular on Responsible Lending Conduct – Release of Movable / Immovable Property Documents on Repayment/ Settlement of Personal Loans dated September 13, 2023

The abovementioned circular mandates the regulated entities to release of all original movable or immovable property documents and remove charges registered with any registry within a period of 30 days after full repayment or settlement of loan account. Further, in case of delay in releasing of original movable or immovable property documents or failing to file charge satisfaction form with relevant registry beyond 30 days after full repayment or settlement of loan, the regulated entity shall communicate to the borrower reasons for such delay and in case where the delay is attributable to the regulated entity, it is required compensate the borrower at the rate of ₹ 5,000 for each day of delay.

RBI circular on Reset of Floating Interest Rate on Equated Monthly Instalments (EMI) based Personal Loans dated August 18, 2023 ("EMI Circular")

RBI allows the regulated entities including HFCs, to offer all categories of advances either on fixed or on floating interest rates basis. In terms of the EMI Circular, HFCs and other regulated entities are advised to put in place an appropriate policy framework meeting several requirements for implementation and compliance including (i) at the time of reset of interest rates, regulated entities shall provide the option to the borrowers to switch over to a fixed rate as per their board approved policy. The policy, inter alia, may also specify the number of times a borrower will be allowed to switch during the tenor of the loan; (ii) at the time of sanction, regulated entities shall clearly communicate to the borrowers about the possible impact of change in benchmark interest rate on the loan leading to changes in EMI and/or tenor or both. Subsequently, any increase in the EMI and/or tenor or both on account of the above shall be communicated to the borrower immediately through appropriate channels; and (iii) HFCs and other regulated entities shall ensure that the elongation of tenor in case of floating rate loan does not result in negative amortisation.

RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021, as amended ("Master Direction on Transfer of Loan Exposures")

The Master Direction on Transfer of Loan Exposures are applicable to *inter alia* NBFCs including HFCs. The Master Direction on Transfer of Loan Exposures lay down the conditions for transfer of loans, including allowing transfer of loans by lenders to only certain permitted transferees. Pursuant to the Master Direction on Transfer of Loan Exposures, the board must approve a policy for transfer and acquisition of loan exposures which lay down the minimum quantitative and qualitative standards relating to due diligence, valuation, requisite IT systems for capture, storage and management of data, risk management, periodic board level oversight, etc. Further, the policy must also ensure independence of functioning and reporting responsibilities of the units and personnel involved in transfer or acquisition of loans from that of personnel involved in originating the loans. Further, the Master Direction on Transfer of Loan Exposures also state that loan transfers should result in transfer of economic interest without being accompanied by any change in underlying terms and conditions of the loan contract usually.

IRDAI (Registration of Corporate Agents) Regulations, 2015 ("CA Regulations")

Corporate agents are granted a certificate of registration by the IRDAI in accordance with the CA Regulations for solicitation and servicing of insurance business for any of the specified category of life, general and health. A corporate agency registration is valid for a period of three years from the date of issuance, unless the same is suspended or cancelled by the IRDAI. The grant and renewal of a corporate agency registration is subject to the applicant meeting the eligibility criteria prescribed in the CA Regulations. The criteria includes matters *inter alia* (a) whether the applicant has the necessary infrastructure such as, adequate office space, equipment and trained manpower on their rolls to effectively discharge its activities; (b) whether the principal officer, directors and other employees of the applicant have violated the code of conduct set out under the CA Regulations in the last three years; (c) whether any person, directly or indirectly connected with the applicant, has been refused in the past the grant of a licence/registration by the IRDAI; and (d) whether the applicant, in case the principal business of the applicant is other than insurance, maintain an arms-length relationship in financial matters between its activities as corporate agent and other activities.

Further, pursuant to the IRDAI (Insurance Intermediaries) (Amendment) Regulations, 2022, a corporate agent, depending on the type of registration (i.e., general, life or health) a corporate agent is permitted to act as a corporate agent for a maximum of nine general, life or health insurers, as applicable. In the case of corporate agent (composite) the total number of arrangements with life, general and health insurers, shall not exceed twenty-seven at any point of time.

IRDAI (Expenses of Management, including Commission, of Insurers) Regulations, 2024 ("EOM Regulations")

The EOM Regulations, which will come into force on April 1, 2024, prescribe *inter alia* the limit and scope of the expenses of management in general insurance and health insurance business. The EOM Regulations include all operating expenses of general or health insurance business, commission to insurance agents, intermediaries or insurance intermediaries and the commission and expenses on reinsurance inward, which are charged to revenue account, under the ambit of 'expenses of management'. In terms of the EOM Regulations, no insurer carrying on general insurance business in India shall incur expenses of management in excess of 30% of gross premium written in India in a fiscal year. Further, no insurer exclusively carrying on health insurance business in India, shall incur expenses of management exceeding 35% of gross premium written in India in a fiscal year as expenses of management. The EOM Regulations require every insurer to have a well-documented policy for allocation and apportionment of expenses of management amongst various business segments. The said policy shall be approved by the board of directors of the company.

Further, the EOM Regulations, prescribe *inter alia* the limits for payment of commission under life insurance and general insurance products offered by the insurers. The EOM Regulations define 'commission' as any compensation including remuneration, or reward, by whatever name called, paid by an insurer to insurance agent, intermediary or insurance intermediary, as applicable, for soliciting or procuring or transacting insurance business. In terms of the EOM Regulations, every insurer is required to adopt a board approved policy with respect to payment of commission and the objectives of the said policy shall *inter* alia take into consideration (i) the interest of the policyholders; (ii) nature and tenure of insurance policy; and (iii) the interest of the insurance agent, intermediary or insurance intermediary.

IRDAI Information and Cyber Security Guidelines, 2023 ("Cyber Security Guidelines")

In terms of the Cyber Security Guidelines, all regulated entities are mandated to establish and maintain an organisation structure for governance, implementation and monitoring of information security, comprising the board of directors, risk management committee and information security risk management committee. The ultimate responsibility for information security of an organisation vests with the board of directors of the regulated entity, in addition to receiving quarterly inputs on matters related to information security and approving its information and cyber security policy.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended ("SARFAESI Act")

The SARFAESI Act, read with the Security Interest (Enforcement) Rules, 2002, as amended, governs securitization of assets in India. Any asset reconstruction company may acquire assets of a bank or financial institution, including HFCs, by either entering into an agreement with such bank or financial institution for transfer of such assets to the company or by issuing a debenture or bond or other security in the nature of debentures, for consideration, as per such terms and conditions as may be mutually agreed. If a bank or financial institution is a lender in relation to financial assets acquired by the asset reconstruction company, such company shall be deemed to be the lender in relation to those financial assets. For HFCs, recovery under the SARFAESI Act is allowed for all loans of greater than ₹ 0.10 million ticket size.

Further, the SARFAESI Act provides for the enforcement of security interest without the intervention of the courts. Under the provisions of the SARFAESI Act, a secured creditor, such as an HFC, can recover dues from its borrowers by taking any of the measures as provided therein, including (i) taking possession of the secured assets or (ii) taking over the management of business of borrower. Rights, with respect to the enforcement of security interest, under the SARFAESI Act cannot be enforced unless the account of the borrower has been classified as a NPA in the books of account of the secured creditor in accordance with the directions or guidelines issued by the RBI or any other applicable regulatory authority. However, the requirement for a secured debt to be classified as a NPA shall not apply to a borrower who has raised funds through debt securities. In the event that the secured creditor is unable to recover the entire sum due by exercise of the remedies under the SARFAESI Act in relation to the assets secured, such secured creditor may approach the relevant court for the recovery of the balance amounts. A secured creditor may also simultaneously pursue its remedies under the SARFAESI Act.

In terms of the RBI circular on Display of information - Secured assets possessed under the SARFAESI Act, 2002 dated September 25, 2023, HFCs which are secured creditors as per the SARFAESI Act, are required to display information in respect of the borrowers whose secured assets have been taken into possession by them under the SARFAESI Act. HFCs are required to upload the information on their website in the format as prescribed in the said circular. The first such list shall be displayed on the website of the regulated entities within six months from the date of the abovementioned circular and subsequently, the list is required to be updated on a monthly basis.

Recovery of Debts due to Banks and Financial Institutions Act, 1993, as amended ("DRT Act")

Under the DRT Act, the procedures for recovery of debt have been prescribed and time frames have been fixed for speedy disposal of cases. The DRT Act prescribes the rules for establishment of Debt Recovery Tribunals ("**DRTs**"), procedure for making application to DRTs, powers of DRTs and modes of recovery of debts determined by DRTs, including *inter alia* attachment and sale of movable and immovable properties of defendants, taking possession of property over which security interest is created or any other property of the defendant and appointing receiver for such property and to sell the same, arrest of defendants, defendants' detention in prison and appointment of receivers for management of the movable or immovable properties of defendants. The DRT Act also provides that a bank or public financial institution, such as an HFC, having a claim to recover its debt may join an ongoing proceeding filed by some other bank or public financial institution against its debtor at any stage of the proceedings before the final order is passed by making an application to the DRT.

Insolvency and Bankruptcy Code, 2016, as amended (the "IBC")

The IBC empowers creditors, whether secured, unsecured, financial, operational or decree holder to trigger resolution processes to start at the earliest sign of financial distress, provides for a single forum to oversee insolvency and liquidation proceedings, enables a calm period where new proceedings do not derail existing ones, provides for replacement of the existing management during insolvency proceedings while maintaining the enterprise as a going concern, offers a finite time limit within which the debtor's viability can be assessed and prescribes a linear liquidation mechanism.

The Digital Personal Data Protection Act, 2023 ("DPDP Act")

The Parliament passed the DPDP Act on August 9, 2023. The DPDP Act received the assent of the President and was notified on August 11, 2023. The DPDP Act seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. All data fiduciaries, determining the purpose and means of processing personal data, are mandated to provide an itemised notice to data principals in plain and clear language containing a description of the personal data sought to be collected along with the purpose of processing such data. The DPDP Act further provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent. The notice should contain details about the personal data to be collected and the purpose of processing. Consent may be withdrawn at any point in time.

An individual whose data is being processed (data principal), will have the right to *inter alia* (i) obtain information about processing; (ii) seek correction and erasure of personal data; and (iii) nominate another person to exercise rights in the event of death or incapacity. The DPDP Act lays down several duties for the data principal . As per the DPDP Act, data principal shall not *inter alia* (i) register a false or frivolous grievance or complaint; and (ii) furnish any false particulars or impersonate another person in specified cases.

It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy, completeness and consistency of data; (ii) build reasonable security safeguards to prevent breach of personal data; (iii) inform the Data Protection Board of India (established under the DPDP Act) and affected persons in the event of a breach; and (iv) erase personal data upon the data principal withdrawing her consent or as soon as it is reasonable to assume that the specified purpose is no longer being served, whichever is earlier.

Other applicable laws

In addition to the above, we are required to comply with the Companies Act, regulations notified by the SEBI, IRDAI, labour laws, various tax-related legislations, intellectual property related legislations and other applicable laws, in the ordinary course of our day-to-day operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as 'Vysya Bank Housing Finance Limited' at Bengaluru, Karnataka as a public company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 26, 1990, issued by the RoC and commenced operations pursuant to a certificate for commencement of business dated November 27, 1990, issued by the RoC. Subsequently, the name of our Company was changed to 'DHFL Vysya Housing Finance Limited' and a fresh certificate of incorporation dated October 15, 2003, was issued by the RoC. The use of the word "Bank" was discontinued upon the change in ownership and management pursuant to the share purchase agreement entered into by ING Vysya Bank Limited, Dewan Housing Finance Corporation Limited and the Company.

Separately, an entity named 'Aadhar Housing Finance Private Limited' ("**Pre-merger AHFPL**") was incorporated as a private limited company under the Companies Act, 1956, at Mumbai, Maharashtra pursuant to a certificate of incorporation dated May 3, 2010, issued by the Registrar of Companies, Maharashtra at Mumbai, which commenced its operations in February 2011. Pre-merger AHFPL was later converted into a public company and consequently, its name was changed to '*Aadhar Housing Finance Limited*', and a fresh certificate of incorporation dated September 3, 2013 was issued by the Registrar of Companies, Maharashtra at Mumbai. Pre-merger AHFPL was later merged into our Company pursuant to a scheme of amalgamation approved by the National Company Law Tribunal, Bengaluru Bench at Bengaluru, vide its order dated October 27, 2017 ("**Scheme of Amalgamation**"). Pursuant to the Scheme of Amalgamation, the name of our Company was changed to 'Aadhar Housing Finance Limited' and a fresh certificate of incorporation dated December 4, 2017, was issued by the RoC. For details in relation to the Scheme of Amalgamation, see "*- Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years*" and "*Capital Structure*" on pages 195 and 74, respectively.

Before getting merged with our Company pursuant to the Scheme of Amalgamation, Pre-merger AHFPL achieved the following milestones since its incorporation:

- In Fiscal 2011, Pre-merger AHFPL opened its first branch in Lucknow *(the intimation to the NHB on the opening of the Lucknow branch was made by Pre-merger AHFPL on April 9, 2011)*.
- In Fiscal 2012, Pre-merger AHFPL opened its 15th branch and crossed 1,000 home loan disbursements.
- In Fiscal 2014, the AUM of Pre-merger AHFPL crossed ₹ 5 billion.
- In Fiscal 2015, the AUM of Pre-merger AHFPL reached approximately ₹ 10 billion.
- In Fiscal 2016, Pre-merger AHFPL expanded to 10th state and the AUM crossed ₹ 18 billion.
- In Fiscal 2017, Pre-merger AHFPL opened its 100th branch, its customer base reached 49,000 and its AUM crossed ₹ 20 billion.

In June 2019, WGCL and DHFL, along with other promoter shareholders (collectively, the "**Erstwhile Promoters**") who were holding majority of the Equity Share capital of our Company along with IFC as the other major shareholder, transferred their entire shareholding in our Company to our Promoter. For details in relation to our Promoter, see "*– Our Holding Company*" and "*Our Promoter and Promoter Group*" on pages 193 and 212, respectively.

Changes in the Registered Office

The details of changes in the Registered Office of our Company since incorporation are given below:

Date of change	Details of the address of registered office	Reason
Financial Year 2004*	Change in registered office from 72, St. Mark's Road, Bengaluru 560 001, Karnataka to S-401, Brigade Plaza, Ananda Rao Circle, S.C. Road, Bengaluru 560 009, Karnataka	-*
October 26, 2015	Change in registered office from to S-401, Brigade Plaza, Ananda Rao Circle, S.C. Road, Bengaluru 560 009, Karnataka to No. 3, JVT Towers, 8th A Main Road, Sampangi Rama Nagar, Bengaluru 560 027, Karnataka.	Administrative convenience

The secretarial records for changes in the registered office of our Company could not be traced as the relevant information was not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and the RoC. Accordingly, we have relied on the search report dated January 30, 2024 prepared by Roy Jacob & Co, independent practicing company secretary, and certified by their certificate dated January 30, 2024 ("RoC Search Report**"). In respect of this change of registered office, the exact date of change and the details of the reasons for such change were not available in the RoC Search Report. For details of risks arising out of missing or untraceable past secretarial records of our Company, see "Risk Factors – Our secretarial records for certain past allotments and changes in relation to our Registered Office are not traceable" on page 36.*

Main objects of our Company

The main objects contained in the Memorandum of Association are as follows:

1. *"To carry on the business of providing long term financial assistance to any person, individual, companies, corporations, firms, societies or associations for purposes of construction, purchase, acquisition of residential houses or flats on such terms and conditions as the Company may deem fit.*
2. *To solicit and procure Insurance Business as Corporate Agent in respect of all classes of insurance and to undertake such other activities as are incidental or ancillary thereto.*
3. *To carry on the business of retail and institutional distribution of the units of mutual funds or other trusts, funds or pooled investment vehicles or any other financial products issued by banks, mutual funds, non-banking financial companies, asset reconstruction companies or any financial intermediary."*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on.

Amendments to our Memorandum of Association

The amendments to our Memorandum of Association in the last 10 years are set out below:

Date of Shareholders' resolution	Details of the amendments
July 20, 2013	Clause III of our Memorandum of Association was amended to reflect addition of the following clause: *"2. To solicit and procure Insurance Business as Corporate Agent in respect of all classes of insurance and to undertake such other activities as are incidental or ancillary thereto."*
June 20, 2014	Sub-clause (4) of Clause III of our Memorandum of Association was amended to reflect addition of 'National Housing Bank' in the following manner: *"4. To do any activity as may be permitted by Reserve Bank of India /National Housing Bank from time to time and also to undertake carrying on the business which is explicit or implicit in the furtherance of the main objects."*
December 27, 2014	Clause III of our Memorandum of Association was amended to reflect addition of the following clause: "*3. To carry on the business of retail and institutional distribution of the units of mutual funds or other trusts, funds or pooled investment vehicles or any other financial products issued by banks, mutual funds, non-banking financial companies, asset reconstruction companies or any financial intermediary."*
October 27, 2017[(1)]	Amendment to Clause V of our Memorandum of Association to reflect increase in the authorised share capital from ₹ 200,000,000 (Rupees Two Hundred Million) divided into 20,000,000 (Twenty Million) Equity Shares of ₹ 10 each to ₹ 2200,000,000 (Rupees Two Thousand Two Hundred Million) divided into 220,000,000 (Two Hundred and Twenty Million) Equity Shares of ₹ 10 each, pursuant to the Scheme of Amalgamation
October 27, 2017[(1)]	Clause I of our Memorandum of Association was amended to reflect the change in name of our Company from 'DHFL Vysya Housing Finance Limited' to 'Aadhar Housing Finance Limited' pursuant to the Scheme of Amalgamation
January 31, 2018	Clause III, the objects clause of our Memorandum of Association was amended by dividing it into two sub-clauses, namely, '*IIIA – THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION*' and '*IIIB - MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A) ARE*', in terms of Sections 4 and 13 of the Companies Act, 2013
January 16, 2021	Amendment to Clause V of our Memorandum of Association to reflect increase in authorised share capital from ₹ 2,200,000,000 (Rupees Two Thousand Two Hundred Million) divided into 220,000,000 (Two Hundred and Twenty Million) Equity Shares of ₹ 10 each to ₹ 5,000,000,000 (Rupees Five Thousand Million) divided into 500,000,000 (Five Hundred Million) equity shares of ₹ 10 each.

(1) *Date of the order passed by the NCLT Bengaluru approving the Scheme of Amalgamation.*

Major events in the history of our Company

The table below sets forth the key events in the history of our Company:

Fiscal	Particulars
1991	Incorporation of our Company
2018	Merger of Pre-merger AHFPL with our Company. Pursuant to the Scheme of Amalgamation, the name of our Company was changed to Aadhar Housing Finance Limited
	Disbursed loans worth ₹ 6 billion in March 2018
2019	Our AUM crossed ₹ 100 billion
	Raised approximately ₹ 7 billion through a maiden public offering of NCDs
2020	BCP Topco, our Promoter, infused ₹14.4 billion in our Company
	Our customer base crossed 150,000
2021	Our AUM crossed ₹ 120 billion

Fiscal	Particulars
2022	Our customer base crossed 200,000 customers
2023	Our AUM crossed ₹ 170 billion
	Our branch network has crossed 470 branches

For details regarding milestones of Pre-merger AHFPL, see "- *Brief history of our Company*" on page 190.

Awards and accreditations

The table below sets forth key awards and accreditations received by our Company:

Calendar Year	Particulars
2018	• Our Company was awarded "Affordable Home Loan Provider of the Year 2017" at the Outlook Money Awards. • Our Company was awarded "Housing Finance Company of the Year (Medium and Small)" and "Marketing Campaign of the Year" by the ABP News.
2019	• Our Company was awarded "Finnoviti 2019 Award" by the Banking Frontiers. • Our Company was awarded "Prestigious Brands of India 2019" by the Brand Advertising Research & Consulting Private Limited and ERTC Media Private Limited. • Our Company was awarded "Most Promising Brand for Housing Finance" by the ET Now. • Our Company was awarded "Dream Companies to Work for" (Financial Services) and "Dream Employer of the Year" by the ET Now. • Our Company was included in "India's Leading BFSI Companies 2019" list published by the Dun & Bradstreet Information Services. • Our Company was awarded "Pradhan Mantri Awas Yojana Empowering India Award 2019" by the Ministry of Housing and Affairs, Government of India. • Our Company was awarded "The Affordable Home Loan Provider of the Year 2018" at the Outlook Money Awards. • Our Company was awarded "Best BFSI Brands 2019" by the Economic Times. • Our Company's Annual Report was awarded a "Third Prize" by the Public Relations Society of India. • Our Company was awarded a Silver Award in "Affordable Housing Category- Home Loan (Affordable) Provider of the Year" at the Outlook Money Awards.
2020	• Our Company's Managing Director and Chief Executive Officer was awarded "NBFC Leadership Award 2020" by the Banking and Finance Post. • Our Company's Managing Director and Chief Executive Officer was recognized as one of the "101 Top Most Influential BFSI Leaders" by the ET Now. • Our Company was certified as "Great Place to Work" by the Great Place to Work Institute, India.
2021	• Our Company was recognized as one of the "Best Brands of 2021" by The Economic Times • Our Company was awarded the first prize in "Best Cyber Security Initiative" and "Best API Initiative", and second prize in "Best Cloud Initiative",, "Best Omnichannel CX Initiative" and "Esteemed Award (IT & Digital Group) at the 'DNA-Distinguished NBFC Awards 2021'organised by Banking Frontiers. • Our Company has been awarded "Best Employer 2021-22", at the Maharashtra State Best Employer Brand Awards, 2021 hosted by World HRD Congress. • Our Company was awarded the "CSR Times Award 2021" in healthcare category for its CSR project "Aayushmaan Aadhar" at the 8th National CSR E-Summit, 2021.
2022	• Our Company was recognized as one of the "Best Brands of 2022" by The Economic Times. • Our Company was awarded with the "Annual HR Excellence Award 2022", held by the Associated Chambers of Commerce and Industry of India ("**ASSOCHAM**"). • Our Company was awarded Best Digital Transformation Initiative – Housing Finance Company at the NBFC & FinTech Excellence Awards 2022.
2023	• Our Company was recognized as India's Leading Housing Finance NBFC (Mid) at the Dun & Bradstreet BFSI & Fintech Summit 2023. • Our Company was certified as "Great Place to Work" by the Great Place to Work Institute, India. • Our Company was awarded with the "Resilient Organization of the Year" at India Credit Risk Management Summit & Awards 2023 by Synnex Group. • Our Company was conferred with the "Best Data Analytics Initiative of the Year (Housing Finance Company)" at the 2nd Annual NBFC & FinTech Excellence Awards 2023 by Quantic Business Media Pvt Ltd. • Our Company was awarded "Best Financial Crime Investigation and Reporting Company" at the Fraud Risk Management Summit & Awards 2023. • Our Company was awarded "Best New Product Initiative" and "Best Cyber Security Initiative" accolades at the DNA Awards 2023. • Our Company was awarded "Best Risk and Cyber Security Initiatives" in Mid-Layer NBFCs at the 18th Annual Summit & Awards for Banking & Financial Sector Lending by the ASSOCHAM. • Our Company was awarded with "Excellence in Housing Finance" award in the Western Region during the 12th Real Estate Summit by the ASSOCHAM. • Our Company was awarded the 'Best Initiative in Technology Orientation [NBFC/HFC/MFI]' at the ETBFSI Excellence Awards 2023. • Our Company was awarded the "Leading Technology Re-Orientation of the Year [NBFC/Housing Finance / MicroFinance Companies]" for the initiative "Aadhar MobileX" at ETBFSI Exceller Awards 2023.

Calendar Year	Particulars
	• Our Company was awarded the "Best Technology Re-Orientation Initiative Delivering Business Value" at the BFSI Excellence Award, 2023.
2024	• Our Company has been selected as the gold winner in the category of "Best Performance Marketing Campaign of the Year" and silver winner in the category of "Integrated Marketing Communications Campaign of the Year" at ASSOCHAM Branding & Marketing Summit-cum-Excellence Awards. • Our Company was awarded "Best NBFC - Housing Finance" at MSME Banking Excellence Awards – 2023, organised by Chamber of Indian Micro Small & Medium Enterprises.

Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, profile, activities, services, market, growth, competition, launch of key products or services, entry into new geographies or exit from existing markets, suppliers, customers, capacity build-up, technology, and managerial competence, see "*Our Business*", "*Our Management*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" beginning on pages 151, 196, 335, and 24, respectively.

Time and cost overrun

There have been no time and cost overruns pertaining to our business operations or any projects undertaken by our Company.

Defaults or re-scheduling of borrowings

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Our Holding Company

BCP Topco, our Promoter, is our holding company. For details, see "*Our Promoter and Promoter Group*" beginning on page 212.

Pursuant to the share purchase agreement dated February 2, 2019 entered into by and among our Company, WGCL, DHFL, Kapil Wadhawan, Dheeraj Wadhawan, Aruna Wadhawan, and our Promoter ("**Majority SPA**") and the amendment agreement dated June 10, 2019 to the Majority SPA, entered into by and among our Company, WGCL, DHFL, Kapil Wadhawan, Dheeraj Wadhawan, Aruna Wadhawan, and our Promoter ("**Amended Majority SPA**"), our Promoter acquired 20,310,873 Equity Shares from WGCL, DHFL, Kapil Wadhawan, Dheeraj Wadhawan, and Aruna Wadhawan at the price of ₹711.11 per Equity Share, aggregating to ₹14.4 billion. Further, in respect of the transaction, our Promoter was required to pay additional payments. The acquisition of the Equity Shares was subject to fulfilment of conditions by WGCL, DHFL, Kapil Wadhawan, Dheeraj Wadhawan and Aruna Wadhawan, including, inter alia, obtaining consents and no-objection certificates from the lenders and approval from the NHB, obtaining waiver from the trustees of the debenture holders and procuring a fair valuation certificate validating the consideration for the acquisition of the Equity Shares.

Our Promoter further acquired 4,253,389 Equity Shares from IFC for an aggregate consideration of ₹3.86 billion pursuant to a share sale agreement dated March 19, 2019 entered into by and among our Company, our Promoter and IFC. In terms of the share sale agreement dated March 19, 2019, receipt of approval from the NHB was a condition precedent to the acquisition of shares by our Promoter. Further, in terms of the Majority SPA, our Promoter further infused ₹8 billion into our Company in consideration for additional Equity Shares being issued to our Promoter by our Company pursuant to a preferential allotment. For details, see "*Capital Structure*" beginning on page 74. Our Promoter also acquired 57,687 Equity Shares for an aggregate consideration of ₹52.38 million from various shareholders of the Company pursuant to share purchase agreements dated February 24, 2020 and June 12, 2019. Our Promoter further acquired 30,000 Equity Shares for an aggregate consideration of ₹27.24 million from Ramco Industries Limited, pursuant to a share purchase agreement dated July 3, 2019 entered into by and among our Company, our Promoter and Ramco Industries Limited. Further, there were no material covenants in the share purchase agreements dated February 24, 2020, June 12, 2019 and July 3, 2019.

Brief Financials:

(in US$ million, unless indicated otherwise)

Particulars	For the year ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Accumulated Profits	876.9	985.9	624.8
Revenue (Net changes in fair value movement on investment at fair value through profit or loss)	(90.9)	379.5	429.9
Profit for the year, representing total comprehensive income for the year	(109.2)	360.7	412.8
Basic Earnings per share (Face Value of $1)	(4.9)	16.1	18.4

Particulars	For the year ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Net asset value	8.1	9.0	6.1

Note:
(1) Basic Earnings per share calculated as profits for the year, representing total comprehensive income for the year divided by the total number of equity shares as at the end of the period (in US$; not US$ millions)
(2) Net asset value calculated as (Share Capital + Accumulated Profits) divided by total number of equity shares and redeemable preference shares as at the period end (in US$; not US$ millions)

Our Subsidiary, Associates and Joint Ventures

As of the date of this Red Herring Prospectus, our Company has one wholly owned subsidiary, namely, Aadhar Sales and Services Private Limited ("**ASSPL**"). Our Company does not have any associates or joint ventures as on the date of this Red Herring Prospectus.

ASSPL

Corporate Information

ASSPL was incorporated on July 10, 2017 as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Maharashtra at Mumbai. Its CIN is U74999MH2017PTC297139 and its registered office is located at 8th Floor, Unit No. 802, Natraj by Rustomjee, Junction of Western Express Highway and M.V. Road, Andheri (East), Mumbai 400 069, Maharashtra, India.

Nature of Business

ASSPL is engaged in the business of providing manpower services, recruitment, training, assignment of staff for specific or general purposes, selling, dealing, trading of financial products, arranging all types of loans, dealing in moveable and immovable properties, mutual fund products, financial instruments and providing various other financial services.

Capital Structure

The capital structure of ASSPL is as follows:

Authorised share capital	Aggregate Nominal Value
10,000 equity shares of ₹10 each	₹ 100,000
Issued, subscribed, and paid up capital	
10,000 equity shares of ₹10 each	₹ 100,000

Shareholding Pattern

The shareholding pattern of ASSPL is as follows:

Sr. No.	Name of the shareholder	No. of equity shares of ₹10 each	Percentage of shareholding (%)
1.	Aadhar Housing Finance Limited	9,990	99.9
2.	Deo Shankar Tripathi*	10	0.1

* *As a nominee of our Company.*

Accumulated profits or losses

As on the date of this Red Herring Prospectus, there are no accumulated profits or losses of ASSPL that have not been accounted for or consolidated by our Company.

Except as provided in the "*Summary of the Offer Document - Summary of Related Party Transactions*" on page 15, there are no business interests between our Company and our Subsidiary.

Third Party Arrangements

From time to time, ASSPL enters into agreements with third parties in the ordinary course of business for carrying out certain functions including human resources operations, pay-roll management processing services and related compliances. There has been no adverse situation with these third parties in the FY2023, FY2022 and FY2021 and nine months ended December 31, 2023.

Brief Financials

(in ₹ million, unless indicated otherwise)

Particulars	For the Financial Year ended			For the period ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Reserves (excluding revaluation reserves)	3.1	13.3	21.2	20.8	34.8
Total income	306.3	403.0	511.1	334.8	454.3
Profit after tax	1.6	2.0	1.8	0.9	8.8
Earnings per share (Face Value of ₹10)	158.45	200	180	81.67	880
Diluted earnings per share (Face Value of ₹10)	158.45	200	180	81.67	880
Net asset value	322.06	1,340	2,130	2,080	3,490

Material acquisitions or divestments of business or undertakings, mergers, amalgamations or revaluation of assets in the last ten years

Except as disclosed below, our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last 10 years:

Scheme of Amalgamation

Pursuant to a resolution dated June 9, 2016 adopted by our Board, our Company filed a scheme of amalgamation under Sections 230, 231, and 232 of the Companies Act, 2013, before NCLT Bengaluru for amalgamation of Pre-merger AHFPL ("**Transferor**") with our Company. The purpose of the Scheme of Amalgamation was, *inter alia*, to carry out consolidation of businesses, maximise synergies, simplification of the organisational structure, reduce administrative costs, and achieve operational and management efficiency, including reduction of managerial overlaps. The Scheme of Amalgamation provided for transfer of the entire business of the Transferor as a going concern, including all assets, rights, licenses and powers, debts, outstanding liabilities, duties, obligations and employees as on the appointed date, to our Company and the change of name of our Company. Pursuant to the Scheme of Amalgamation, the authorised share capital of our Company was increased from ₹ 200 million divided into 20,000,000 Equity Shares of ₹ 10 each to ₹ 2,200 million divided into 220,000,000 Equity Shares of ₹ 10 each. Pursuant to the Scheme: (a) our Company allotted ten Equity Shares of ₹ 10 each to the then shareholders of the Transferor for every 119 equity shares of ₹ 10 each held by them in the Transferor. For further details, see "*Capital Structure*" beginning on page 74. The appointed date under the Scheme was April 1, 2016. The NCLT Bengaluru approved the Scheme of Amalgamation vide its order dated October 27, 2017 ("**Order**") and the Scheme of Amalgamation came into effect from the date on which the Order was filed with the RoC, that is November 20, 2017.

Significant financial and strategic partners

As of the date of this Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Agreements with Key Managerial Personnel, members of Senior Management, Director, Promoter, or any other employee

There are no agreements entered into by a Key Managerial Personnel, a member of Senior Management, or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Key terms of other subsisting material agreements

Our Company has not entered into any material agreement including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

Other than as disclosed in this Red Herring Prospectus, there are no other clauses/ covenants in agreements entered into by our Company or our Promoter / articles of our Company / other agreements entered into by our Company or our Promoter which are material and need to be disclosed or which are adverse/ pre-judicial to the interest of the public shareholders. There are no other material agreements entered into by our Company other than those disclosed in this Red Herring Prospectus.

Guarantees given by our Promoter

Our Promoter has not provided any guarantees on behalf of our Company.

OUR MANAGEMENT

In terms of our Articles of Association, the maximum number of Directors that our Company can have shall be in accordance with the provisions of the Companies Act. As on the date of this Red Herring Prospectus, our Board comprises eight Directors, including three Independent Directors (including our Non-Executive Chairman and two women directors), two Executive Directors, and three Non-Executive (Nominee) Directors.

Details regarding our Board as on the date of this Red Herring Prospectus are set forth below:

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other Directorships
1.	**Om Prakash Bhatt** **Designation:** Non-Executive Chairman and Independent Director **Term:** Three years with effect from September 13, 2022 **Period of Directorship:** Director since September 13, 2019 **Address:** Flat No.3, Seagull, Carmichael Road, Mumbai 400 026, Maharashtra, India **Occupation:** Professional **Date of Birth:** March 7, 1951 **DIN:** 00548091 **Age:** 73	*Indian Companies* 1. Hindustan Unilever Limited; 2. Tata Consultancy Services Limited; and 3. Tata Motors Limited. *Foreign Companies* 1. Greenko Energy Holdings, Mauritius; 2. Tata Daewoo Commercial Vehicle Limited; and 3. TML Holdings Pte Limited.
2.	**Sharmila A. Karve** **Designation:** Independent Director **Term:** Five years from December 15, 2023 **Period of Directorship:** Director since December 15, 2020 **Address:** Flat no. 102, Phoenix House, Rahimtullah Sayani Road, Prabhadevi, Ravindra Natya Mandir, Mumbai 400 025, Maharashtra, India **Occupation:** Professional **Date of Birth:** April 8, 1965 **DIN:** 05018751 **Age:** 59	*Indian Companies* 1. CSB Bank Limited; 2. EPL Limited (*formerly known as Essel Propack Limited*); 3. School for Social Entrepreneurs India; 4. Syngene International Limited; 5. Thomas Cook (India) Limited; and 6. Vanaz Engineers Limited. *Foreign Companies* 1. EPL America LLC; 2. EPL Packaging (Guangzhou) Limited; 3. Fairfax India Holdings Corporation; and 4. Lamitube Technology Limited, Mauritius
3.	**Nivedita Haran** **Designation:** Independent Director **Term:** Two years with effect from August 18, 2022 till the 34th AGM to be held in calendar year 2024 **Period of Directorship:** Director since September 15, 2018 **Address:** 23, IFS Villas, Gautam Budh Nagar Greater Noida 201 310, Uttar Pradesh, India **Occupation:** Professional **Date of Birth:** November 22, 1954 **DIN:** 06441500 **Age:** 69	*Indian Companies* 1. NESL Asset Data Limited *Foreign Companies* Nil

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other Directorships
4.	**Amit Dixit*** **Designation:** Non – Executive (Nominee) Director **Term:** With effect from August 2, 2019; liable to retire by rotation **Period of Directorship:** Director since August 2, 2019 **Address:** Flat No. 2102, The Imperial, South Tower, B.B. Nakashe Marg, Tardeo, Mumbai 400 034, Maharashtra, India **Occupation:** Service **Date of Birth:** January 26, 1973 **DIN:** 01798942 **Age:** 51	*Indian Companies* 1. ASK Investment Managers Limited; 2. Blackstone Advisors India Private Limited; 3. EPL Limited (*formerly known as Essel Propack Limited*); 4. Mphasis Limited; and 5. Sona BLW Precision Forgings Limited. *Foreign Companies* 1. TU BidCo Inc.; 2. TU MidCo Inc.; 3. TU TopCo Inc.; and 4. VFS Global AG.
5.	**Mukesh Mehta*** **Designation:** Non – Executive (Nominee) Director **Term:** With effect from August 2, 2019; liable to retire by rotation **Period of Directorship:** Director since August 2, 2019 **Address:** Flat No. 2601, 26th Floor C-Wing, Lodha Bellissimo CHS Ltd, N. M. Joshi Marg, Mumbai 400 011, Maharashtra, India **Occupation:** Service **Date of Birth:** November 30, 1980 **DIN:** 08319159 **Age:** 43	*Indian Companies* 1. International Gemmological Institute (India) Private Limited; 2. PGP Glass Private Limited; 3. R Systems International Limited; and 4. Simplilearn Solutions Private Limited. *Foreign Companies* 1. TU BidCo Inc; 2. TU MidCo Inc.; 3. TU TopCo Inc.; and 4. VFS Global AG.
6.	**Prateek Roongta*** **Designation:** Non – Executive (Nominee) Director **Term:** From January 20, 2023 till January 15, 2028, liable to retire by rotation **Period of Directorship:** Director since January 20, 2023 **Address:** A-4901, Omkar 1973, Hanuman Nagar, Off Dr. A.B. Road, Near Neelam Centre, Worli, Mumbai 400 030, Maharashtra, India. **Occupation:** Service **Date of Birth:** May 28, 1977 **DIN:** 00622797 **Age:** 46	*Indian Companies* 1. ASK Investment Managers Limited; 2. ASK Long-Short Fund Managers Private Limited; 3. ASK Wealth Advisors Private Limited; 4. International Gemmological Institute (India) Private Limited; 5. Fino Payments Bank Limited; and 6. Fino Paytech Limited. *Foreign Companies* Nil
7.	**Deo Shankar Tripathi** **Designation:** Whole – Time Director and Executive Vice Chairman **Term:** From January 3, 2023 till December 26, 2027 **Period of Directorship:** Director since January 3, 2023 **Address:** 2202, Tower-7, Emerald Isle, Saki Vihar Road, L&T Business Park, Powai, Mumbai Suburban 400 072, Maharashtra, India	*Indian Companies* 1. Aadhar Sales and Services Private Limited; 2. Auxilo Finserve Private Limited; and 3. Fort Finance Limited. *Foreign Companies* Nil

S. No.	Name, DIN, designation, term, period of directorship, address, occupation, date of birth and age	Other Directorships
	Occupation: Service **Date of Birth:** January 1, 1953 **DIN:** 07153794 **Age:** 71	
8.	**Rishi Anand** **Designation:** Managing Director and Chief Executive Officer **Term:** From January 3, 2023 till December 26, 2027 **Period of Directorship:** Director since January 3, 2023 **Address:** B1/2006, The Address, Opp. R City Mall, Ghatkopar West, Mumbai, Ghatkopar West, Mumbai Suburban 400 086, Maharashtra, India **Occupation:** Service **Date of Birth:** December 20, 1972 **DIN:** 02303503 **Age:** 51	*Indian Companies* Nil *Foreign Companies* Nil

* *Nominee Directors of BCP Topco.*

Relationship between our Directors and our Key Managerial Personnel or Senior Management

None of our Directors are related to each other or to any of the Key Managerial Personnel or Senior Management.

Brief Biographies of Directors

Om Prakash Bhatt is the Non-Executive Chairman and Independent Director of our Company. He holds a bachelor's degree in Science from Meerut University, and a master's degree in English Literature from the same university. He has previously served as the chairman of State Bank of India. He is also serving as a director on the boards of Hindustan Unilever Limited and Tata Group companies, including Tata Motors Limited, Greenko Energy Holdings Mauritius, Tata Daewoo Commercial Vehicle Limited, TML Holdings Pte. Limited and Tata Consultancy Services Limited. He was appointed as the Non-Executive Chairman and Independent Director on the Board of our Company with effect from September 13, 2019 and has been re-appointed by the Shareholders at the Annual General Meeting held on August 18, 2022.

Sharmila A. Karve is an Independent Director on the Board of our Company. She holds a bachelor's degree in commerce from University of Bombay and is a qualified chartered accountant from the Institute of Chartered Accountants of India. She was previously associated as a partner with Lovelock & Lewes LLP, Price Waterhouse & Co Bangalore LLP, Dalal & Shah Chartered Accountants LLP, Price Waterhouse Chartered Accountants LLP; Price Waterhouse & Co Chartered Accountants LLP and Price Waterhouse & Co LLP. Presently, she is a director on the boards of EPL Limited (formerly known as Essel Propack Limited), EPL Packaging (Guangzhou) Limited, Lamitube Technology Limited, Mauritius, EPL America LLC, Fairfax India Holdings Corporation, Syngene International Limited, Vanaz Engineers Limited, CSB Bank Limited, Thomas Cook (India) Limited and School for Social Entrepreneurs India. She was appointed as an Independent Director on the Board of our Company with effect from December 15, 2020 and has been re-appointed by the Shareholders at the Extra-Ordinary General Meeting held on December 13, 2023.

Nivedita Haran is an Independent Director of our Company. She holds doctorate in philosophy in humanities and social sciences from the Indian Institute of Technology, Delhi. She retired as the Additional Chief Secretary, Department of Home Affairs, Government of Kerala, India. She is also on the board of NESL Asset Data Limited as Chairperson (Independent). She serves as the honorary chairperson on the board of directors of Centre for Migration and Inclusive Development. She was appointed as an Additional (Independent) Director on the Board of our Company with effect from September 15, 2018 and she has been re-appointed by the Shareholders at the Annual General Meeting held on June 29, 2020. Her term was extended for a further period of two years by the Shareholders at the Extra-Ordinary General Meeting held on May 26, 2022.

Amit Dixit is a Non – Executive (Nominee) Director on the Board of our Company. He holds a bachelor's degree in civil engineering from the Indian Institute of Technology, Bombay, and was awarded the director's silver medal for graduating at the top of his program. He holds two master's degrees, one in science (civil engineering) from Leland Stanford Junior University and the other in business administration from Harvard University. He is the senior managing director, head of Asia for the private equity business group at Blackstone Advisors India Private Limited. Previously, he has worked as an associate at Warburg Pincus. He is serving as a director on the board of several companies including Mphasis Limited, Sona BLW Precision Forgings Limited, EPL Limited (formerly known as Essel Propack Limited) , Blackstone Advisors India Private Limited, ASK Investment Managers Limited, TU Topco Inc., TU Midco Inc., TU Bidco Inc. and VFS Global AG. He was appointed as a Non – Executive (Nominee) Director on the Board of our Company with effect from August 2, 2019.

Mukesh Mehta is a Non – Executive (Nominee) Director on the Board of our Company. He has passed the examination for the bachelor's program in commerce from the University of Mumbai and has a master's degree in commerce from the same university. He is a qualified Chartered Financial Analyst (USA) and also chartered accountant from the Institute of Chartered Accountants of India. He is the senior managing director within the private equity business group of Blackstone Advisors India Private Limited. He has 17.5 years of experience in Private Equity. Previously, he worked at Carlyle India Investment Advisors Private Limited and Citicorp Finance (India) Limited. He also worked in the Assurance and Business Advisory Group at Price Waterhouse & Co. He is also serving as a director on the board of International Gemmological Institute (India) Private Limited, R Systems International Limited, Simplilearn Solutions Private Limited, PGP Glass Private Limited, TU Topco Inc., TU Midco Inc., TU Bidco Inc. and VFS Global AG. He was appointed as a Non – Executive (Nominee) Director on the Board of our Company with effect from August 2, 2019.

Prateek Roongta is a Non-Executive (Nominee) Director on the Board of our Company since January 20, 2023. He holds a bachelor's degree in commerce from the University of Delhi and a post-graduate diploma in management from Indian Institute of Management, Ahmedabad. He is also a qualified chartered accountant and company secretary. He is the Managing Director within the Portfolio Operations Group at Blackstone Advisors India Private Limited. He has more than 21 years' experience and has previously, worked at Boston Consulting Group (India) Private Limited, True North Managers LLP (formerly known as India Value Fund Advisors Private Limited) and A.T. Kearney Consulting (India) Private Limited. He is also serving as a director on the board of ASK Investment Managers Limited, ASK Long-Short Fund Managers Private Limited, ASK Wealth Advisors Private Limited, International Gemmological Institute (India) Private Limited, Fino Payments Bank Limited and Fino Paytech Limited. He was appointed as a Non – Executive (Nominee) Director on the Board of our Company with effect from January 20, 2023**.**

Deo Shankar Tripathi is the Whole – Time Director and Executive Vice Chairman of our Company. He holds a bachelor's and master's degree in science from Lucknow University and has cleared the examination for a diploma in Public Administration from Awadh University. He has also passed the associate examination of the Indian Institute of Bankers and has completed various certificate courses including International Study Tour on "Energy Efficiency in Residential Buildings" from KFW Entwicklungsbank, Germany, and Strategy and Management in Banking Programme from International Development Ireland Limited. He has worked as a general manager at Union Bank, and president and chief operating officer at DHFL. He joined our Company on January 17, 2015. Prior to joining our Company, he was the chief executive officer of Pre-Merger AHFPL. Presently, he is serving as a director on the boards of ASSPL, Fort Finance Limited and Auxilo Finserve Private Limited. He previously held the position of managing director & chief executive officer of our Company. He was appointed as the Whole – Time Director and Executive Vice Chairman of our Company with effect from January 3, 2023 till December 26, 2027.

Rishi Anand is the Managing Director and Chief Executive Officer of our Company. He holds a post-graduate certification in business management (PGCBM) from Indian Institute of Management, Kozhikode. He has over 27 years of work experience across a diverse spectrum of functions and businesses in the financial services space. Prior to joining our Company, he has worked with various organizations such as Shelters (A Citibank Associate), ICICI Bank Limited, GE Countrywide Consumer Financial Services Limited, BHW Home Finance Limited, Reliance Capital Limited, AIG Home Finance India Limited (now Indo Pacific Housing Finance Limited) and DHFL. He joined our Company on April 1, 2018. Prior to his current appointment, he held the position of the chief operating officer – business development of the Company. He was appointed as Managing Director and Chief Executive Officer of our Company with effect from January 3, 2023 till December 26, 2027.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on the Board.

Further, none of our Directors have been identified as wilful defaulters as defined under the SEBI ICDR Regulations.

Terms of Appointment of our Executive Director

Rishi Anand

Pursuant to the resolution passed by the Board on January 3, 2023, Rishi Anand was appointed as the Managing Director and Chief Executive Officer till December 26, 2027 and his appointment was subsequently approved by the Shareholders at the EGM held on March 23, 2023. Pursuant to the resolutions passed by the Board on January 3, 2023 and January 21, 2024, and the Shareholders on March 23, 2023, his remuneration was fixed as per the provisions of Sections 196, 197 and 203 read with Schedule V of the Companies Act, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such revision in the remuneration as may be approved by the Nomination and Remuneration Committee of the Board.

The details of the remuneration and perquisites payable to him during the term of his office, include the following:

a. Salary and other allowance amounting to ₹ 17.19 million per annum (fixed);
b. 1,257,437 stock options as per ESOP 2020 and 103,741 stock options as per the Erstwhile ESAR 2018 and such other options as may be granted from time to time by the Nomination and Remuneration Committee and Board under any of the scheme framed by the Company;
c. Leave travel expenses for self and family in accordance with the Company's policy;
d. Life Insurance cover as per the Company's policy;
e. Accidental Insurance cover as per the Company's policy;
f. One car for use of Company's business as per Company's policy;
g. Other expenses including entertainment, domestic/international travelling and all other expenses incurred for the business of the Company as per the Company's policy;
h. Contribution towards provident fund and/or national pension scheme as per the Company's policy;
i. Gratuity and/or contribution to the gratuity fund of the Company as per the Company's policy;
j. Other allowances/benefits perquisites including housing loans, as per the rules applicable to senior executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as approved by the Board/NRC from time to time; and
k. Any other one time/periodic retirement allowances/benefits as may be decided by the Board at the time of retirement.

The aggregate remuneration & perquisites payable to Rishi Anand will be reviewed by the Nomination & Remuneration Committee and the Board every year subject to the monetary limits provided under section 197 and 198 of the Companies Act, 2013 read with schedule V of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**.**

Deo Shankar Tripathi

Pursuant to the resolution passed by the Board on January 3, 2023, Deo Shankar Tripathi was appointed as a Whole – Time Director and Executive Vice-Chairman of our Company till December 26, 2027 and his appointment was subsequently approved by the Shareholders at the EGM held on March 23, 2023. Pursuant to the resolutions passed by the Board on January 3, 2023 and January 21, 2024, and the Shareholders on March 23, 2023, his remuneration was fixed as per the provisions of sections 196, 197 and 203 read with Schedule V of the Companies Act, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such revision in the remuneration as may be approved by the Nomination and Remuneration Committee of the Board.

The details of the remuneration and perquisites payable to him during the term of his office, include the following:

a. Salary and other allowance amounting to ₹ 20.84 million per annum (fixed);
b. 1,811,858 stock options as per ESOP 2020 and 633,033 Stock options as per the Erstwhile ESAR 2018 and such other options as may be granted from time to time by the Nomination and Remuneration Committee and Board under any of the scheme framed by the Company;
c. Leave travel expenses for self and family in accordance with the Company's policy;
d. Life Insurance cover as per the Company's policy;
e. Accidental Insurance cover as per the Company's policy;
f. One car for use of Company's business as per Company's policy;
g. Other expenses including entertainment, domestic/international travelling and all other expenses incurred for the business of the Company as per the Company's policy;
h. Contribution towards provident fund and/or national pension scheme as per the Company's policy;
i. Gratuity and/or contribution to the gratuity fund of the Company as per the Company's policy;
j. Other allowances/benefits perquisites including housing loans, as per the rules applicable to senior executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as approved by the Board/NRC from time to time; and
k. Any other one time/periodic retirement allowances/benefits as may be decided by the Board at the time of retirement.

The aggregate remuneration & perquisites payable to Deo Shankar Tripathi will be reviewed by the Nomination & Remuneration Committee and the Board every year subject to the monetary limits provided under section 197 and 198 of the

Companies Act, 2013 read with schedule V of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Payment or benefit to Directors of our Company

Details of the sitting fees or other remuneration paid to our Directors in Financial Year 2023 and Financial Year 2024 are set forth below.

Remuneration to our Executive Director

Details of the remuneration paid to our Managing Director and Chief Executive Officer, and Whole-Time Director and Executive Vice Chairman in Financial Year 2023 are set forth below:

S. No.	Name of executive Director	Remuneration (₹ in million)
1.	Deo Shankar Tripathi	25.1
2.	Rishi Anand	20.3*

** Rishi Anand was appointed as the Managing Director and Chief Executive Officer of our Company with effect from January 3, 2023. Accordingly, his total compensation for the Financial Year 2023 includes ₹4.0 million paid in the capacity of the Managing Director and Chief Executive Officer and ₹ 16.3 million paid in the capacity of Chief Operation Officer – Business Development of our Company.*

Details of the remuneration that our Managing Director and Chief Executive Officer, and Whole-Time Director and Executive Vice Chairman are entitled to in Financial Year 2024 are set forth below:

S. No.	Name of executive Director	Remuneration (₹ in million)
1.	Deo Shankar Tripathi	33.1
2.	Rishi Anand	30.4

Remuneration to our Non-Executive Directors

(a) *Independent Directors*

Pursuant to our Board resolution dated April 24, 2018, each Independent Directors are entitled to receive remuneration by way of sitting fees of ₹ 35,000 per sitting for every meeting of the Board and ₹ 35,000 per sitting for every meeting of the committees of our Board, within the limits prescribed under the Companies Act, and the rules made thereunder.

Details of the remuneration paid to the Independent Directors of our Company in the Financial Year 2023 are set forth below:

S. No.	Name of Independent Director	Number of meetings attended	Sitting Fees (₹ in million)	Commission (₹ in million)	Total Remuneration (₹ in million)
1.	Om Prakash Bhatt	28.0	1.0	9.2	10.2
2.	Nivedita Haran	24.0	0.8	0.7	1.5
3.	Sharmila A. Karve	28.0	1.0	1.6	2.6

Details of the remuneration that the Independent Directors of our Company are entitled to in the Financial Year 2024 are set forth below:

S. No.	Name of Independent Director	Sitting Fees (₹ in million)	Commission (₹ in million)	Total Remuneration (₹ in million)
4.	Om Prakash Bhatt	1.0	9.0	10.0
5.	Nivedita Haran	1.0	0.8	1.8
6.	Sharmila A. Karve	1.0	1.5	2.5

(b) *Non-Executive (Nominee) Directors*

The Non-Executive (Nominee) Directors are not entitled to receive any sitting fees for attending meetings of the Board and its Committees.

Bonus or Profit-sharing plan of the Directors

Other than our Independent Directors, who receive commission based upon the performance of our Company, none of our Directors are party to any bonus or profit-sharing plan of our Company. For details of commission paid to our Independent Directors in the Financial Year 2023 and Financial Year 2024, see "- *Remuneration to our Non-Executive Directors*" on page 201.

Remuneration paid to Directors of our Company by our Subsidiary

None of our Directors receive remuneration or are entitled to receive any remuneration from our Subsidiary in the Financial Year 2023 or in the Financial Year 2024.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

As of the date of filing of this Red Herring Prospectus, none of our Directors hold any Equity Shares.

Interests of Directors

(a) All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees and commission, if any, payable to them for attending meetings of our Board or Committees thereof. For further details, see "- *Terms of Appointment of our Executive Director*" and " – *Payment or benefit to Directors of our Company*", on pages 200 and 201, respectively.
(b) None of our Directors have any interests in the promotion or formation of our Company.
(c) None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company.
(d) Further, none of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery.
(e) No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.
(f) None of our Directors have any interest in our business.
(g) Our nominee Directors may be deemed to be interested to the extent of the shareholding in our Company of the entities nominating them.
(h) Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends and other distributions in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or held by their relatives. Our Directors may be deemed to be interested to the extent of options or stock appreciation rights granted / Equity Shares, if any, allotted to them pursuant to the Erstwhile ESAR 2018 and the ESOP 2020. For details, see "*Capital Structure*" beginning on page 74.
(i) Except the regular staff housing loans availed at concession rates in the normal course of business by our Managing Director and Chief Executive Officer, no other loans have been availed by our Directors from our Company. For details, see "*Summary of Offer Document – Summary of Related Party Transactions*" on page 15.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below.

Name	Date of Change	Reason
Neeraj Mohan	July 13, 2021	Resigned as Non-Executive (Nominee) Director
Deo Shankar Tripathi	December 4, 2022	Cessation of term as managing director and chief executive officer
Rishi Anand	January 3, 2023	Appointment as Managing Director and Chief Executive Officer
Deo Shankar Tripathi	January 3, 2023	Appointment as Whole -Time Director and Executive Vice Chairman
Prateek Roongta	January 20, 2023	Appointment as Non - Executive (Nominee) Director

Borrowing Powers of Board

Pursuant to a resolution passed by our shareholders in their AGM held on August 9, 2023, and by our Board in their meeting held on November 7, 2023, our Board is authorised to borrow from time to time all such sums of money together with the monies already borrowed by our Company (apart from the temporary loans, overdrafts obtained or to be obtained from our Company's bankers in the ordinary course of business), which may exceed the aggregate of the paid-up capital and free reserves of our Company (reserves not set apart for any specific purposes), provided that the total amount up to which monies may be borrowed by our Board shall not exceed ₹ 200,000 million or up to 12 times of the net owned fund of our Company or such multiples, whichever is lower, as per the relevant notifications, directions, circulars or guidelines issued by NHB in this regard.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and other applicable regulations of SEBI, in respect of corporate governance including in respect of the constitution of the Board and Committees thereof, and formulation and adoption of policies. Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. As on the date of this Red Herring Prospectus, our Board comprises eight Directors, including three Independent Directors (including our Non-Executive Chairman and two women directors), two Executive Directors and three Non-Executive (Nominee) Directors. In compliance with Section 152 of the Companies Act, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act.

Committees of the Board

Details of the Committees are set forth below. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Audit Committee

The members of the Audit Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Sharmila A. Karve	Chairperson
2.	Om Prakash Bhatt	Member
3.	Nivedita Haran	Member
4.	Prateek Roongta	Member

The Audit Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on February 8, 2023. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on February 8, 2023 *inter alia*, include:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Examination of the financial statement and the auditors' report thereon;
- Approval or any subsequent modification of transactions of the company with related parties. The Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed under the rules made under the Companies Act, 2013;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company;
- The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
- The auditors of a company and the key managerial personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the auditor's report but shall not have the right to vote;
- All appointments, including the filling of a casual vacancy of an auditor shall be made after taking into account the recommendations of such committee;
- Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to our Board the appointment, remuneration and terms of appointment of the statutory auditor of our Company;
- Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
- Approving payments to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to our Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in our Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;

    - Disclosure of any related party transactions; and
    - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to our Board for approval;
- 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 our Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by our Company;
- Approval or any subsequent modifications of transactions of our Company with related parties;
- Scrutinising of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management systems;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 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;
- Discussing with internal auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to our Board;
- Discussing 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;
- 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;
- Reviewing the functioning of the whistle blower mechanism;
- Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law; and
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

Powers of the Audit Committee

The powers of the Audit Committee shall include the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

Reviewing Powers

The Audit Committee shall mandatorily review the following information:

- Management's discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- Examination of the financial statements and the auditors' report thereon; and
- Statement of deviations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the SEBI Listing Regulations; and

- annual statement of funds utilised for purposes other than those stated in the document/prospectus/notice in terms of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Sharmila A. Karve	Chairperson
2.	Om Prakash Bhatt	Member
3.	Mukesh Mehta	Member

The Nomination and Remuneration Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on January 21, 2024. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on February 8, 2023, *inter alia*, include:

- Considering and recommending for the appointment and remuneration of directors, managing/executive director, CEO of the Company;
- Considering, reviewing and approving annual salary increment, bonus and promotion to KMPs/ top managerial persons;
- Approving and implementing staff welfare schemes or ESOPs/ ESAR as per the NRC Policy;
- Considering and recommending the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees, fit and proper criteria for directors, in compliance with law;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - use the services of an external agencies, if required;
    - consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - consider the time commitments of the candidates
- Formulating of criteria for evaluation of the performance of the independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
- Determining 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;
- Analysing, monitoring and reviewing various human resource and compensation matters;
- Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
    - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
    - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.
- Recommend to our Board, all remuneration, in whatever form, payable to senior management; and
- Any other functions/powers referred/powers delegated to the committee by the Board under the NRC Policy, any regulation/directions of regulators or the statutory or government authorities/bodies and as per the provisions of the Companies Act and rules made thereunder.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Nivedita Haran	Chairperson
2.	Prateek Roongta	Member
3.	Deo Shankar Tripathi	Member

The Stakeholders' Relationship Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on February 8, 2023. The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on February 8, 2023, *inter alia*, include:

- Consider and resolve grievances of security holders of our Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc;
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by our Company in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by our Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of our Company.
- Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- To approve, register, refuse to register transfer or transmission of shares and other securities;
- To sub-divide, consolidate and or replace any share or other securities certificate(s) of our Company;
- Allotment and listing of shares;
- To authorise affixation of common seal of our Company;
- To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of our Company;
- To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
- To dematerialize or rematerialize the issued shares;
- Ensure proper and timely attendance and redressal of investor queries and grievances;
- Carrying out any other functions contained in the Companies Act and/or equity listing agreements (if applicable), as and when amended from time to time; and
- To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Nivedita Haran	Chairperson
2.	Prateek Roongta	Member
3.	Rishi Anand	Member

The Corporate Social Responsibility Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on February 8, 2023. The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on February 8, 2023, *inter alia*, include:

- To approve the activities to be undertaken as per the CSR Policy proposed/ recommended by the CSR Committee;
- To ensure the programs/projects/activities undertaken by the Company are in line with the activities as listed in this policy;
- To ensure that the Company spends, every financial year, at least two percent of the average net profits of the Company made during the preceding three financial years as prescribed under the Companies Act, 2013 towards CSR initiatives and ensure that in case the prescribed amount could not be spent on CSR Activities, the reason for not spending full amount to be disclosed in the Boards' Report;
- To ensure that the Boards' Report of the Company includes an annual report on CSR as specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- The Board of Directors of the Company shall have the authority to reconstitute the CSR Committee and to revise/amend the terms of reference of the CSR Committee, as may be required;
- The Board of Directors of the Company shall satisfy itself that the funds so disbursed under CSR policy have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect; and

- In case of ongoing project, the Board of Directors of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

Risk Management Committee

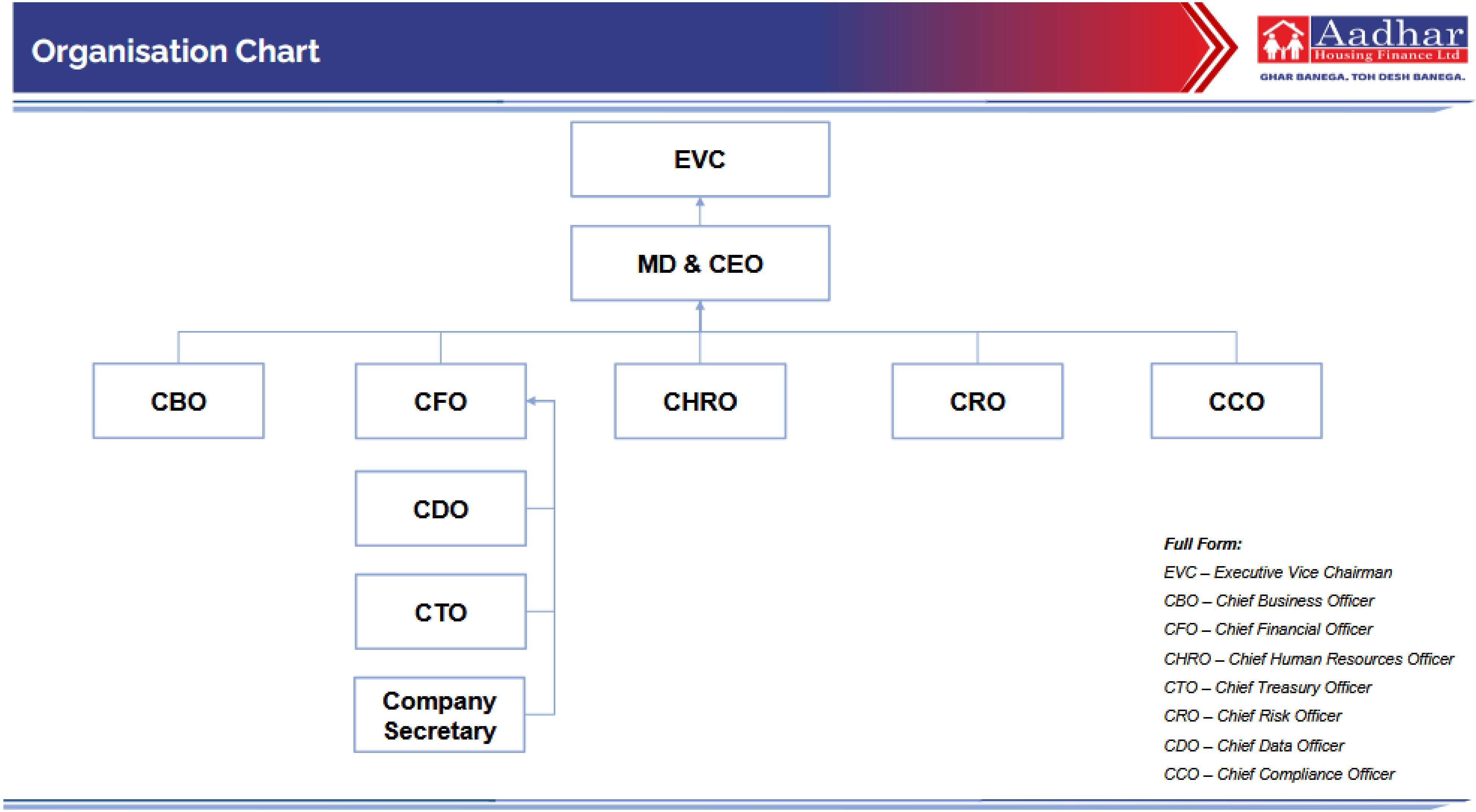
The members of the Risk Management Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Om Prakash Bhatt	Chairperson
2.	Prateek Roongta	Member
3.	Sharmila A. Karve	Member

The Risk Management Committee was last reconstituted pursuant to resolution passed by our Board in its meeting held on February 8, 2023. The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on February 8, 2023, *inter alia,*

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - Measures for risk mitigation including systems and processes for internal control of identified risks; and
  - Business continuity plan.
- To meet at least quarterly and should review, approve and set companies exposure to various types of risks, risk appetite levels & other limits and take actions as required;
- To approve significant policies and framework that govern the management of risks;
- To ensure Executive Risk Management Committee in place, consisting of senior management personnel;
- To obtain assurance (through internal audit and external reviews) that risk management framework and policies are being adhered.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

Management Organisation Structure



Full Form:

EVC – Executive Vice Chairman

CBO – Chief Business Officer

CFO – Chief Financial Officer

CHRO – Chief Human Resources Officer

CTO – Chief Treasury Officer

CRO – Chief Risk Officer

CDO – Chief Data Officer

CCO – Chief Compliance Officer

Key Managerial Personnel of our Company

The details of the Key Managerial Personnel, in terms of the SEBI ICDR Regulations, as of the date of this Red Herring Prospectus are as follows:

Rishi Anand is the Managing Director and Chief Executive Officer of our Company. For details, see "– *Brief Biographies of Directors*". For details of compensation paid to him during Financial Year 2023 and Financial Year 2024 see "– *Payment or benefit to Directors of our Company – Remuneration to our Executive Director*".

Deo Shankar Tripathi is the Whole – Time Director and Executive Vice Chairman of our Company. For details, see "– *Brief Biographies of Directors*". For details of compensation paid to him during Financial Year 2023 and Financial Year 2024 see "– *Payment or benefit to Directors of our Company – Remuneration to our Executive Director*".

Rajesh Viswanathan is the Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from University of Mumbai. He is a qualified chartered accountant from the Institute of Chartered Accountant of India and a qualified cost and works accountant from the Institute of Cost and Works Accountants of India. He has several years of experience in accounting, finance, strategy, planning, taxation, treasury, audit, and managing investor relations. Prior to joining our Company, he has been associated with various organizations, starting with A F Ferguson & Co., Mahindra & Mahindra Limited, DSP Financial Consultants Limited, KPMG Bahrain, Bajaj Allianz Life Insurance Corporation Limited, Bajaj Finance Limited & Capital Float. He joined our Company on December 1, 2019. During the Financial Year 2023 he received a remuneration of ₹19.6 million. For Financial Year 2024, he is entitled to an aggregate remuneration of ₹29.1 million, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Harshada Pathak is the Company Secretary and Compliance Officer for our Company. She holds a bachelor's degree in commerce from Mulund College of Commerce and bachelor's in law from University of Mumbai. She is a qualified company secretary from the Institute of Company Secretaries of India, having an experience of over 18 years and has previously worked as the compliance officer and company secretary for Volkswagen Finance Private Limited, in the secretarial department of Mahindra & Mahindra Financial Services and in the compliance department of Essar Investments Limited. She joined our Company on April 15, 2021. During the Financial Year 2023, she received a remuneration of ₹3.7 million. For Financial Year 2024, she is entitled to an aggregate remuneration of ₹5.0 million, which is subject to finalization in accordance with the terms of her appointment and closure of books of account.

Senior Management of our Company

In addition to Rajesh Viswanathan, the Chief Financial Officer of our Company and Harshada Pathak, the Company Secretary and Compliance Officer of our Company, whose details are provided in "- *Key Managerial Personnel of our Company*" on page 209, the details of our Senior Management in terms of the SEBI ICDR Regulations, as of the date of this Red Herring Prospectus are as follows:

Sreekanth V.N. is the Chief Compliance Officer of our Company. He holds a bachelor's degree in commerce and law from Mahatma Gandhi University and has cleared the examination for master's in business administration (finance) from OJPS University. He is also a qualified company secretary from the Institute of Company Secretaries of India. He has several years of experience in handling all secretarial functions of the Company including liaison with institutions like registrar of companies, financial institutions, and other bodies with whom the Company has administrative dealings. He has previously worked with the Bureau of Police Research & Development, Ministry of Home Affairs and Department of Supply, Ministry of Commerce. Prior to joining our Company, he has worked with organizations such as ICICI Bank Limited, Firestone International Private Limited, KM Trading Co LLC, Malabar Institute of Medical Science and Ocean Bounty Limited. He was also associated with Pre-merger AHFPL from April 11, 2011 and he joined our Company on November 21, 2017. During the Financial Year 2023, he received a remuneration of ₹7.7 million. For Financial Year 2024, he is entitled to an aggregate remuneration of ₹10.8 million, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Anmol Gupta is the Chief Treasury Officer of the Company. He holds a bachelor's degree in commerce (Hons.) from University of Delhi and is a qualified chartered accountant from the Institute of Chartered Accountant of India. He has several years of experience in coordinating financial operations, preparing budgets, and ensuring maintenance of up-to date financial reports, commitments, expenditures and legal records. Previously, he has worked with BHW Birla Home Finance Limited and as the Accounts Officer of CIMMYT- India, headquartered at Mexico. He was chief financial officer of Erstwhile AHFL. He joined our Company on November 21, 2017. During the Financial Year 2023, he received a remuneration of ₹14.3 million. For Financial Year 2024, he is entitled to an aggregate remuneration of ₹19.9 million, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Nirav Shah is the Chief Risk Officer of our Company. He holds a bachelor's degree in commerce from P. D. Lion's College of Commerce and Economics, University of Mumbai. He is a qualified chartered accountant from the Institute of Chartered Accountants of India. He has also cleared the exam for Certified Information Systems Audit from Information System Audit and Control Association. He has several years of experience in implementing risk management systems across business units and maintaining a strong integrated risk management framework. He has worked with Deloitte Haskins & Sells, ICICI

Prudential Life Insurance Company Limited and Tata Capital Housing Finance Limited. He joined our Company on July 5, 2018 and had been the Head Internal Audit of our Company from July 2018 till December 31, 2019. During the Financial Year 2023, he received a remuneration of ₹7.3 million. For Financial Year 2024, he is entitled to an aggregate remuneration of ₹11.2 million, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

R. Anil Kumar Nair is the Chief Business Officer – Business Development of our Company. He holds a bachelor's and master's degree in commerce as well as a diploma in marketing management from the Rani Durgavati Vishwavidayalaya, Jabalpur, Madhya Pradesh. He also holds a master's in business administration degree from the Sikkim Manipal University. He has experience in the sectors of FMCG, electronics and mortgage industry. He has previously worked with various organizations including Bata India Limited, MIRC Electronics Limited – ONIDA, ICICI Bank Limited, DHFL, Aspire Home Finance Corporation (Now Motilal Oswal Home Finance Limited). He is also a director on the board of our Subsidiary. He joined our Company on February 14, 2019, as Business Head – Business Development – Housing Loan. During the Financial Year 2023 he received a remuneration of ₹ 10.9 million. For Financial Year 2024, he is entitled to an aggregate remuneration of ₹16.3 million, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Haryyaksha Ghosh is the Chief Data Officer of our Company. He holds an master's of science degree in physics from the Indian Institute of Technology, Kharagpur and a post graduate diploma in management from the Indian Institute of Management, Calcutta. He has experience in the sectors of data science and information technology. He has previously worked with various organizations situated in India and South East Asia, including Infosys Technologies Limited, M/s Ekcelon (Co-founder), Mindwave Solutions Pte. Limited (Singapore), Knowledge Management Solutions Pte. Limited (Singapore), Network 18 Media & Investments Limited, and ECL Finance Limited. He is also a director on the board of Aashaa Global Solutions & Services Private Limited. He joined our Company on February 1, 2021. During the Financial Year 2023 he received a remuneration of ₹10.8 million. For Financial Year 2024, he is entitled to an aggregate remuneration of ₹13.4 million, which is subject to finalization in accordance with the terms of his appointment and closure of books of account.

Status of Key Managerial Personnel and Senior Management

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and Senior Management have been appointed.

Shareholding of Key Managerial Personnel and Senior Management in our Company

None of our Key Managerial Personnel and Senior Management hold any Equity Shares as on the date of this Red Herring Prospectus.

Relationship between our Key Managerial Personnel and Senior Management

None of our Key Managerial Personnel and Senior Management are related to each other.

Interests of Key Managerial Personnel and Senior Management

Except R. Anil Kumar Nair, who has entered into a leave and license agreement with the our Company for the premises of one of our branches located at Bhiwandi, Maharashtra, which has a monthly rent of ₹60,000, maintenance charges of ₹2,000 per month, taxes and escalation at the rate of 5% at every year on the last rent paid, as per the agreement dated February 22, 2021, none of the Key Managerial Personnel and Senior Management of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel and Senior Management.

Further, the Key Managerial Personnel and Senior Management may also be interested to the extent of Equity Shares (together with dividends and other distributions in respect of such Equity Shares) which may be held by them. Our Key Managerial Personnel and Senior Management may also be deemed to be interested to the extent of options and stock appreciation rights granted to them pursuant to the ESOP 2020 and Erstwhile ESAR 2018. For details, see "*Capital Structure*" beginning on page 74.

Loans to Key Managerial Personnel and Senior Management

Except the regular staff housing loans availed at concession rates in the normal course of business, no other loans have been availed by our Key Managerial Personnel and Senior Management from our Company.

Changes in our Key Managerial Personnel and Senior Management in the three immediately preceding years:

Details of the changes in our Key Managerial Personnel and the Senior Management in the three immediately preceding years are set forth below:

Name	Date of change	Reason
Ravinder Singh Beniwal	September 30, 2021	Resigned as the Chief Operating Officer
Deo Shankar Tripathi	December 4, 2022	Cessation of term as managing director and chief executive officer
Rishi Anand	January 3, 2023	Appointment as Managing Director and Chief Executive Officer
Deo Shankar Tripathi	January 3, 2023	Appointment as Whole-Time Director and Executive Vice Chairman
R Anil Kumar Nair	May 17, 2023	Appointment as Chief Business Officer
Hrishikesh Jha	May 19, 2023	Cessation of term as the Chief Peoples Officer
Sreekanth V.N.	September 30, 2023	Cessation of term as the Company Secretary upon appointment as Chief Compliance Officer.
Harshada Pathak	October 1, 2023	Appointment as Company Secretary and Compliance Officer
Sreekanth V.N.	October 1, 2023	Appointment as Chief Compliance Officer
Vikas Bansal	October 23, 2023	Appointment as Chief Human Resource Officer
Vikas Bansal	April 10, 2024	Resigned as the Chief Human Resource Officer

Payment or benefit to officers of our Company

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel and Senior Management, is entitled to any benefits upon termination of employment under any service contract entered into with our Company. Except as stated otherwise in this Red Herring Prospectus and any statutory payments made by our Company, no amount or benefit has been paid or given, in the two years preceding the date of this Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers except remuneration for services rendered as Directors, officers or employees of our Company.

Bonus or profit sharing plans for our Key Managerial Personnel and Senior Management

Other than the performance bonus component of their remuneration, our Key Managerial Personnel and Senior Management are not parties to any bonus or profit-sharing plan of our Company.

Employee stock option plan and employee stock appreciation rights plan

For details of our employee stock option and employee stock appreciations rights plans, see "*Capital Structure*" beginning on page 74.

OUR PROMOTER AND PROMOTER GROUP

BCP Topco is the Promoter of our Company. Our Promoter currently holds an aggregate of 389,683,420 Equity Shares, aggregating to 98.72% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For further details, see "*Capital Structure*" beginning on page 74.

Corporate Information

BCP Topco, our Promoter, was incorporated as a private limited company under the laws of Singapore on December 27, 2017 having UEN: 201736996M. The registered office of BCP Topco is located at 77 Robinson Road #13-00, Robinson 77, Singapore 068896. The principal activity of BCP Topco is to serve as an investment holding company.

BCP Topco acquired the Equity Shares of our Company pursuant to the SPAs. For further details, see "*History and Certain Corporate Matters – Our Holding Company*" and "*Capital Structure - Build-up of Promoter's shareholding in our Company*" on pages 193 and 81, respectively.

BCP Topco has not changed its activities from the date of its incorporation.

Board of directors

The board of directors of BCP Topco comprises the following members:

1) Kwan Ting Geoffrey Chung;
2) Melanie Mei Lan Ng; and
3) Peng Wei Tan.

Shareholding pattern

The shareholding pattern of BCP Topco is as follows:

Name of shareholder	Percentage of shareholding (%)
BCP Asia (SG) Holdings Co. Pte. Ltd.	44.7
Singapore VII Holding Co. Pte. Ltd.	44.0
Others	11.3
Total	**100.0**

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where BCP Topco is registered, were submitted to the BSE and NSE at the time of filing the Draft Red Herring Prospectus.

Promoters of our Promoter

The promoters of BCP Topco are:

1) BCP Asia (SG) Holdings Co. Pte. Ltd.; and
2) Singapore VII Holding Co. Pte. Ltd.

BCP Asia (SG) Holdings Co. Pte. Ltd. ("BCP Asia")

BCP Asia is a private limited company incorporated under the laws of Singapore having UEN: 201725659R. BCP Asia is owned by certain private equity funds which are managed and/or advised by the affiliates of Blackstone. Blackstone (NYSE: BX) is one of the world's leading investment firms. Blackstone's asset management businesses include investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Through its different businesses, Blackstone had total assets under management of over USD 1 trillion as of December 31, 2023.

Presently, no natural person holds fifteen percent or more of the voting rights in BCP Asia on an aggregate basis.

Board of directors of BCP Asia

The board of directors of BCP Asia comprises the following members:

1) Kwan Ting Geoffrey Chung;

2) Melanie Mei Lan Ng; and
3) Peng Wei Tan.

Singapore VII Holding Co. Pte. Ltd ("Singapore VII Holding")

Singapore VII Holding is a private limited company incorporated under the laws of Singapore having UEN: 201613336Z. Singapore VII Holding is owned by certain private equity funds which are managed and/or advised by the affiliates of Blackstone. For details in relation to Blackstone, see "– *Promoters of our Promoter*" on page 212.

Presently, no natural person holds fifteen percent or more of the voting rights in Singapore VII Holding on an aggregate basis.

Board of directors of Singapore VII Holding

The board of directors of Singapore VII Holding comprises the following members:

1) Kwan Ting Geoffrey Chung;
2) Melanie Mei Lan Ng; and
3) Peng Wei Tan.

Changes in control of our Promoter

There has been no change in the control of BCP Topco in the last three years preceding the date of this Red Herring Prospectus.

Change in our Promoter

Our Promoter, BCP Topco, is not the original promoter of our Company. In June 2019, the Erstwhile Promoters, who were holding majority of the Equity Share capital of our Company, along with IFC as the other major shareholder, transferred their entire shareholding in our Company to BCP Topco. For further details, see "*History and Certain Corporate Matters – Our Holding Company*" and "*Capital Structure - Build-up of Promoter's shareholding in our Company*" on pages 193 and 81, respectively.

Interests of our Promoter

Our Promoter is interested in our Company to the extent it has invested in our Company and to the extent of its shareholding in our Company and dividends payable by our Company, if any, and other distributions in respect of the Equity Shares held by it. For details of the shareholding of our Promoter in our Company, see "*Capital Structure – Shareholding of our Promoter (also the Promoter Selling Shareholder) and Promoter Group*" on page 82. Our Promoter has no interest in any property acquired in the three years preceding the date of this Red Herring Prospectus or is proposed to be acquired by our Company or 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 Promoter or to the firms or companies in which our Promoter is interested as a member in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such Promoter or by such firms or companies in connection with the promotion or formation of our Company.

Payment or benefits to our Promoter or our Promoter Group

No amount or benefit has been paid or given to our Promoter or Promoter Group by our Company during the two years preceding the filing of this Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoter or Promoter Group, other than any dividends payable by our Company to our Promoter.

Material guarantees given by our Promoter to third parties with respect to Equity Shares

Our Promoter has not given any material guarantees to any third parties with respect to the Equity Shares, as on the date of this Red Herring Prospectus.

Companies or firms with which our Promoter have disassociated in the last three years

Our Promoter has not disassociated, sold or transferred its stake in any company or firm in the three years immediately preceding the date of this Red Herring Prospectus.

Our Promoter Group

Our Promoter does not have any natural persons who are part of our Promoter Group. Other than our Promoter, the entities forming part of the Promoter Group are BCP Asia and Singapore VII Holding.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend distribution policy of our Company was approved and adopted by our Board on August 18, 2020. The dividend, if any, will depend on a number of internal factors, including but not limited to our Company's net operating profit, capital expenditure and working capital requirements, financial commitment with respect to the outstanding borrowings and interest thereon, financial requirement for business expansion, diversification or acquisition of new businesses, provisioning for financial implications arising out of unforeseen events or contingencies, past dividend trend, and capital adequacy ratio. In addition, the dividend, if any, will also depend on a number of external factors including but not limited to applicable laws and regulations including taxation laws, economic conditions, prevalent market practices, and dividend payout ratio and comparison of dividend payout by the competitors.

Further, our shareholders may not expect dividend in certain circumstances including growth opportunities which require our Company to allocate a significant amount of capital, in the event of a higher working capital requirement for business operations or otherwise, inadequacy of cashflow available for distribution, inadequacy or absence of profits, and under any other circumstances as may be specified by the Companies Act, applicable regulatory provisions or any contractual obligation entered into with the lenders.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" beginning on page 360.

Our Company may also, from time to time, pay interim dividends. Our past practices with respect to the declaration of dividends are not necessarily indicative of our future dividend declaration. For details in relation to risks involved in this regard, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 43.

Equity Shares

No dividend on Equity Shares has been declared or paid by our Company during the last three Financial Years, the nine months ended December 31, 2023, and the period from January 1, 2024 till the date of this Red Herring Prospectus.

SELECTED STATISTICAL INFORMATION

The following information is included for analytical purposes and should be read in conjunction with our "Restated Consolidated Financial Information" on page 237 of this Red Herring Prospectus as well as "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 151 and 335 of this Red Herring Prospectus, respectively.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Red Herring Prospectus. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of financial services businesses, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. However, note that these non-GAAP financial measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other financial services companies. Such non-GAAP financial measures should be read together with the nearest GAAP measure.

The term "Aadhar" used in the name of the issuer, "Aadhar Housing Finance Limited" has no relation or connection with the Government of India or Unique Identification Authority of India's "Aadhaar" and should not be confused with the same.

The following financial and statistical information relates to our Company and should be read in conjunction with our "*Restated Consolidated Financial Information*" on page 237. The basis of calculating average metrics in this section is the simple average of the respective metric as of the last day of the relevant year or period and the relevant metric as of the last day of the previous year or period.

Return on Equity and Assets

The following table sets forth, for the years indicated selected financial information relating to the return on equity and assets for our Company:

(₹ in million, except percentages)

	As of/for the				
	FY 2021	**FY 2022**	**FY 2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
Profit After Tax Before Exceptional Item(1)	3,401.3	4,448.5	5,643.3	4,040.6	5,478.8
Profit After Tax	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
Total Assets(2)	136,303.3	143,758.1	166,178.7	158,916.6	180,355.7
Average Total Assets(3)	129,983.8	140,030.7	154,968.4	151,337.4	173,267.2
AUM(4)	133,271.0	147,777.9	172,228.3	165,664.6	198,651.6
Average AUM(5)	123,793.8	140,524.5	160,003.1	156,721.3	185,440.0
Total Equity(6)	26,928.2	31,466.9	36,976.6	35,557.4	42,491.6
Average Total Equity(7)	25,200.8	29,197.6	34,221.8	33,512.2	39,734.1
Total Borrowings(8)	103,744.7	106,745.9	121,534.5	117,154.7	131,275.9
Average Total Borrowings(9)	100,089.1	105,245.3	114,140.2	111,950.3	126,405.2
Return Before Exceptional Item on Total Assets (%)(10)	2.5%	3.2%	3.6%	3.6%*	4.2%*
Return Before Exceptional Item on Average Total Assets (%)(11)	2.6%	3.2%	3.6%	3.6%*	4.2%*
Return Before Exceptional Item on Equity (%)(12)	13.5%	15.2%	16.5%	16.1%*	18.4%*
Return on Average Equity (%)(13)	13.5%	15.2%	15.9%	16.1%*	18.4%*
Basic Earnings Per Equity Share(14)	8.6	11.3	13.8	10.2	13.9
Diluted Earnings Per Equity Share(15)	8.4	10.9	13.4	9.9	13.5
Net worth (16)	26,927.6	31,466.3	36,976.0	35,556.8	42,491.0
Net Asset Value Per Share(17)	68.2	79.7	93.7	90.1	107.6

Figures disclosed in the above table, except "Profit after Tax before exceptional item", "Total Assets" and "Basic and Diluted Earnings Per Share", are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(1) Profit After Tax Before Exceptional Item:- Represents Profit After Tax for the relevant year or period before taking into account the exceptional item (net of tax impact). The table below sets forth the profit after tax before exceptional item in FY2023:

		FY2023
		(₹ in million)
	Profit After Tax (A)	*5,447.6*
Add:	*Exceptional item (B)*	*250.0*
Less:	*Tax adjustment (C)*	*54.3*
	Profit after tax before exceptional item (D= A+B-C)	*5,643.3*

(2) Total Assets:- Represents Total Assets as of the last day of the relevant year or period.
(3) Average Total Assets:- Represents the simple average of total assets in the current year or period and total assets in the previous year or period.
(4) AUM:- Represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.
(5) Average AUM:- Represents the simple average of our AUM as of the last day of the relevant year or period and our AUM of the last day of the previous year or period.
(6) Total Equity:- Represents the aggregate of our equity share capital and other equity.
(7) Average Total Equity:- Represents the simple average of our total equity as of the last day of the relevant year or period and our total equity as of the last day of the previous year or period. Total equity is the aggregate of our equity share capital and other equity.
(8) Total Borrowings:- Represents the aggregate of debt securities, borrowings (other than debt securities), deposits and subordinated liabilities as of the last day of the relevant year or period.
(9) Average Total Borrowings:- Represents the simple average of our Total Borrowings outstanding as of the last day of the relevant year or period and our Total Borrowings outstanding as of the last day of the previous year or period.
(10) Return Before Exceptional Item on Total Assets:- Calculated as the Profit After Tax Before Exceptional Item for the relevant year or period as a percentage of Average Total Assets in such year or period. Average Total Assets represents the simple average of our Total Assets as of the last day of the relevant year or period and our Total Assets as of the last day of the previous year or period.
(11) Return Before Exceptional Item on Average Total Assets:- Calculated as the Profit After Tax Before Exceptional Item for the relevant year or period as a percentage of Average Total Assets in such year or period.
(12)Return Before Exceptional Item on Equity:- Calculated as the Profit After Tax Before Exceptional Item for the relevant year or period as a percentage of average total equity in such year or period.
(13)Return on Average Equity:- Calculated as the Profit After Tax for the relevant year or period as a percentage of Average Total Equity in such year or period.
(14)Basic Earnings Per Share = Net profit available to equity shareholders / Weighted average number of equity shares outstanding during the period
(15)Diluted Earnings Per Share = Net profit available to equity shareholders / Weighted average number of equity shares outstanding during the period adjusted for the effect of all dilutive potential equity share
(16) Net worth:- Represents the aggregate of our equity share capital and other equity excluding capital reserve on amalgamation.
*(17)Net Asset Value per share = Net worth as at the end of the period / Number of equity shares outstanding at the end of the period***

* *These financial data have been presented on an annualized basis in the following manner: reported figure multiplied by number of days in a FY divided by number of days in a year. The calculation does not take into account seasonality factors or any other factors which could impact period-on-period variations and may not reflect our actual performance for FY2023 and FY2024. The presentation of annualized financial data has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results. Annualized financial data are not standard measures under the Ind AS and should not be considered in isolation or construed as alternatives to net income/loss, cash flow or any other measure of financial performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Annualized financial data presented herein may not be comparable to similarly titled measures presented by other companies.*

*** The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of ₹10 each for each existing equity share of the face value of ₹10 each on January 16, 2021 in extraordinary general meeting (EGM). Above information has been prepared after giving effect of Bonus Shares in all periods.*

For reconciliation of non-GAAP measures, see "– Non-GAAP Reconciliations" on page 234.

Financial Ratios

The following table sets forth, for the years or period indicated, certain financial ratios for our Company:

(₹ in million, except numbers and percentages)

	As of/for the				
	FY 2021	**FY 2022**	**FY 2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
AUM(1)	133,271.0	147,777.9	172,228.3	165,664.6	198,651.6
AUM Growth (%)(2)	16.6%	10.9%	16.5%	16.1%	20.5%
Average AUM(3)	123,793.8	140,524.5	160,003.1	156,721.3	185,440.0
Assigned assets(4)	25,468.7	27,296.9	32,817.9	30,621.7	38,614.9
Loan Book(5)	107,802.3	120,480.9	139,410.4	135,042.9	160,036.7
Total Assets(6)	136,303.3	143,758.1	166,178.7	158,916.6	180,355.7
Retail AUM(7)	133,252.2	147,766.9	172,228.3	165,664.6	198,651.6
Disbursements(8)	35,447.1	39,919.3	59,026.1	39,453.6	49,040.6
Live Accounts (including assigned loans)(9)	182,471	204,135	233,228	222,346	255,683
Revenue From Operations(10)	15,753.3	17,282.7	20,432.3	14,878.0	18,950.2
Other Income(11)	2.2	2.9	2.9	4.1	1.5
Total Income(12)	15,755.5	17,285.6	20,435.2	14,882.1	18,951.7
Finance Cost(13)	8,159.7	7,612.0	7,991.9	5,857.3	7,248.1
Operating Expenses (including depreciation)(14)	2,721.3	3,512.9	4,743.0	3,309.4	4,240.1

	As of/for the				
	FY 2021	**FY 2022**	**FY 2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
Operating Expenses / Average Total Assets(15) (%)	2.1%	2.5%	3.1%	2.9%*	3.3%*
Credit Cost(16)	549.4	487.1	492.1	552.8	453.7
Credit Cost to Average Total Assets(17) (%)	0.4%	0.3%	0.3%	0.5%*	0.3%*
Total Expenses (including credit cost) (18)	11,430.4	11,612.0	13,227.0	9,719.5	11,941.9
Gross NPA (19)	1,430.3	2,143.5**	1,997.7	2,920.8	2,778.5
Gross NPA – Stage 3a loans(19)	0.0	395.4	70.5	198.5	59.1
Gross NPA – Stage 3b loans(19)	1,430.3	1,748.1	1,927.2	2,722.3	2,719.4
Gross NPA to Retail AUM (%)(20)	1.1%	1.5%**	1.2%	1.8%	1.4%
Net NPA(21)	996.7	1,608.2	1,440.9	2,181.3	1,925.2
Net NPA to Retail AUM (%)(22)	0.7%	1.1%	0.8%	1.3%	1.0%
Provision Coverage Ratio – Retail Stage 3 AUM (%)(23)	30.3%	25.0%	27.9%	25.3%	30.7%
Cost to Income Ratio (%) (24)	35.8%	36.3%	38.1%	36.7%	36.2%

Figures disclosed in the above table, except "Revenue from operations", "Other income", "Total revenue", "Finance cost", "Total expenses" and "Total assets" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.

(1) AUM:- Represents aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.

(2) AUM Growth:- Represents percentage growth in AUM for the relevant year or period over AUM of the previous year or period.

(3) Average AUM:- is the simple average of our AUM as of the last day of the relevant year or period and our AUM of the last day of the previous year or period.

(4) Assigned Assets:- Represents aggregate of future principal outstanding and overdue principal outstanding, if any, for loan assets which have been transferred by our Company by way of assignment or co-lent by our Company as of the last day of the relevant year or period.

(5) Loan Book:- Represents the sum of receivables under financing activities from our own book of the last day of the relevant year or period.

(6) Total Assets:- Represents Total Assets as of the last day of the relevant year or period.

(7) Retail AUM:- Represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by our Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of securitization or assignment or co-lending and are outstanding as of the last day of the relevant year or period.

(8) Disbursements:- Represent the aggregate of all loan amounts extended to our customers in the relevant year or period.

(9) Live Accounts (including assigned accounts):- Represent the aggregate number of loan accounts outstanding as of the end of the relevant year or period including loan accounts which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.

(10) Revenue from operations:- Represents our total revenue from operations for the year or period.

(11) Other Income:- Represents our other income for the relevant year or period.

(12) Total Income:- Represents sum of revenue from operations and other income for the year or period.

(13) Finance Cost:- Represents our total finance costs for the year or period.

(14) Operating Expenses (including depreciation):- Represents employee benefit expenses, depreciation and amortization expense and other expenses for the relevant year or period.

(15) Operating Expenses/Average Total Assets:- Represents the ratio of our operating expenses for a year or period to the Average Total Assets for the year or period, expressed as a percentage.

(16) Credit Cost:- Represents impairment on financial instruments for the relevant year or period.

(17) Credit Cost/Average Total Assets:- Represents the ratio of our credit cost for a year or period to the Average Total Assets for the year or period, expressed as a percentage.

(18) Total expenses:- Represents Total Expenses for the relevant year or period. Total expenses include employee benefit expenses, finance cost, impairment on financial instruments, depreciation and amortization expense, other expenses.

*(19) Gross NPA:- Represents our Gross Retail NPA (closing balance of the Gross NPA of our Retail AUM as of the last day or the relevant year or period). See ** below for impact of RBI circular dated November 12, 2021 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications (the "**November 12 Circular**").*

(20) Gross NPA to Retail AUM:- Represents the ratio of our Gross NPA as of the last day or the relevant day or period to the Retail AUM as of the last day of the relevant year or period.

(21) Net NPA:- Represents closing balance of the Net NPA of our Retail AUM as of the last day of the relevant year or period. Net NPA equals total Gross NPA less provision on the same.

(22) Net NPA to Retail AUM:- Represents the ratio of our Net NPA as of the last day or the relevant day or period to the Retail AUM as of the last day of the relevant year or period. Net NPA represents the closing balance of the Net NPA of our Retail AUM as of the last day of the relevant year or period. Net NPA equals total Gross NPA less provision on the same.

(23) Provision Coverage Ratio – Retail Stage 3 AUM:- Represents retail provisions for the year or period, as a percentage of total Gross NPAs as of the last day of the year or period.

(24) Cost to income ratio:- Represents the ratio of operating expenses for the relevant year or period divided by total income for the year or period, less finance costs for the year or period, expressed as a percentage.

**The Supreme Court of India passed an interim order in September 2020 in a public interest litigation, whereby it directed that accounts which were not declared NPA until August 31, 2020 shall not be declared as NPA until further orders. On March 2021, the Supreme Court of India vacated the interim order, and thereafter the accounts shall be declared NPA. Based on this decision, we have classified eligible accounts as NPA as at March 31, 2021. However, such accounts have been classified as Stage 3 assets and provisions have been recognized accordingly in our Restated Consolidated Financial Information. For further details, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations - General Economic Conditions in India and the impact of the COVID-19 outbreak" on page 338.*

* *These financial data have been presented on an annualized basis in the following manner: reported figure multiplied by number of days in a FY divided by number of days in a year. The calculation does not take into account seasonality factors or any other factors which could impact period-on-period variations and may not reflect our actual performance for FY2023 and FY2024. The presentation of annualized financial data has limitations as an*

analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results. Annualized financial data are not standard measures under the Ind AS and should not be considered in isolation or construed as alternatives to net income/loss, cash flow or any other measure of financial performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Annualized financial data presented herein may not be comparable to similarly titled measures presented by other companies.

** *For Gross NPA (%) as of March 31, 2023 and December 31, 2023, it includes loan assets of ₹70.5 million (less than 0.1% of our Retail AUM) and ₹59.1 million (less than 0.1% of our Retail AUM) not more than 90 days past due which have been classified as NPA as per the November 12 Circular, respectively.*

Following the November 12 Circular, we classified our Stage 3 assets of ₹ 1,069.1 million as of March 31, 2023 into:

(a) Stage 3a: ₹ 44.7 million loans not more than 90 days past due; and

(b) Stage 3b: ₹ 1,024.4 million loans more than 90 days past due.

We classified our Stage 3 assets of ₹ 1,454.8 million as of December 31, 2023 into:

(a) Stage 3a: ₹ 40.4million loans not more than 90 days past due; and

(b) Stage 3b: ₹ 1,414.4 million loans more than 90 days past due.

Our stage 3b loans are comparable to our NPA for the previous period/years and our stage 3a loans have been classified as a result of the November 12 Circular with effect from November 12, 2021. As a result of the reclassification of Stage 3 loans, our GNPAs as of March 31, 2023 and December 31, 2023 of ₹1,997.7 million (1.2% of our Retail AUM) and ₹2,778.5 million (1.4% of our Retail AUM), respectively includes loan assets of ₹ 70.5 million (less than 0.1% of our Retail AUM) and ₹59.1 million (less than 0.1% of our Retail AUM) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular. Our Own Book GNPA as of March 31, 2023 and December 31, 2023 of ₹ 1,625.9 million (1.2% of our Own Book) and ₹2,308.1 million (1.4% of our Own Book), respectively includes loan assets of ₹58.9 million (less than 0.1% of our Own Book) and ₹52.2 million (less than 0.1% of our Own Book) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular. Our Retail GNPAs increased from ₹1,430.3 million (1.1% of our Retail AUM) as of March 31, 2021 to ₹2,143.5 million (1.5% of our Retail AUM) as of March 31, 2022, decreased to ₹1,997.7 million (1.2% of our Retail AUM) as of March 31, 2023 and increased to ₹2,778.5 million (1.4% of our Retail AUM) as of December 31, 2023, and our Own Book GNPA increased from ₹1,307.1 million (1.2% of our Own Book) as of March 31, 2021 to ₹1,825.7 million (1.5% of our Own Book) as of March 31, 2022, decreased to ₹1,625.9 million (1.2% of our Own Book) as of March 31, 2023 and increased to ₹2,308.1 million (1.4% of our Own Book) as of December 31, 2023.

See "Business – Competitive Strengths - Robust, comprehensive systems and processes for underwriting, collections and monitoring asset quality" on page 157 and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations - General Economic Conditions in India and the impact of the COVID-19 outbreak" on page 338. For reconciliation of non-GAAP measures, see "– Non-GAAP Reconciliations" on page 234.

ANALYSIS OF CHANGES IN INTEREST INCOME AND INTEREST EXPENSES BY VOLUME AND RATE

The following table sets forth, for the periods indicated, the allocation of the changes in our interest revenue and interest expenditure between changes in average volume of interest-earning assets and interest-bearing liabilities and changes in average interest rates on interest-earning assets and interest-bearing liabilities:

(₹ in million)

	FY2021 v. FY2022			**FY2022 v. FY2023**			**Nine months ended December 31, 2022 v. Nine months ended December 31, 2023**		
	Net Change	**Due to change in Average Volume**	**Due to change in Average Rates**	**Net Change**	**Due to change in Average Volume**	**Due to change in Average Rates**	**Net Change**	**Due to change in Average Volume**	**Due to change in Average Rates**
Interest Income									
Housing and other loans	1,600.7	1,978.1	(377.4)	2,114.2	2,101.2	13.0	3,458.5	2,330.5	1,128.0
Balances with banks in deposit	(523.1)	(196.6)	(326.5)	50.7	(44.6)	95.3	237.0	(61.3)	298.3
Investment in bonds and debentures	36.1	46.6	(10.5)	215.0	182.2	32.8	42.2	81.1	(38.9)
Other interest income	(0.2)	0.0	(0.2)	0.0	0.0	0.0	-	-	-
Total Interest Income	**1,113.5**	**1,828.1**	**(714.6)**	**2,379.9**	**2,238.8**	**141.1**	**3,737.7**	**2,350.3**	**1,387.4**
Finance Cost									
Debt securities	(102.8)	24.4	(127.2)	85.0	166.3	(81.3)	263.4	239.0	24.4
Borrowings (other than debt securities)	(424.1)	340.1	(764.2)	381.6	463.8	(82.2)	1,137.1	589.0	548.1
Deposits	(40.7)	(9.8)	(30.9)	(4.2)	(12.5)	8.3	(1.2)	(2.4)	1.2
Subordinated liabilities	0.0	0.1	(0.1)	(13.8)	(8.2)	(5.6)	(6.4)	(8.8)	2.4
Lease liabilities	8.4	3.6	4.8	5.5	2.8	2.7	4.7	7.0	(2.3)
Other finance charges	11.5	0.0	11.5	(74.2)	0.0	(74.2)	(6.8)	-	(6.8)
Total finance costs	**(547.7)**	358.4	(906.1)	**379.9**	**612.2**	**(232.3)**	**1,390.8**	**823.8**	**567.0**

AVERAGE BALANCE SHEET AND NET INTEREST MARGIN

The tables below present the average balances for our interest-earning assets and interest-bearing liabilities together with the related interest income and expense amounts, resulting in the presentation of the average yields and cost for each period. Average interest-earning assets, yields, average non-interest earning assets, average interest-bearing liabilities, average non-interest bearing liabilities and cost of funds are non-GAAP measures.

(₹ in million, except percentages)

	As of/for the														
	FY 2021			FY 2022			FY 2023			Nine months ended December 31, 2022			Nine months ended December 31, 2023		
	Average Balance (1)	**Interest Income (2)/ Interest Expended (3)**	**Average Yield (4) / Cost of funds (5) (%)**	**Average Balance (1)**	**Interest Income (2)/ Interest Expended (3)**	**Average Yield (4) / Cost of funds (5) (%)**	**Average Balance (1)**	**Interest Income (2)/ Interest Expended (3)**	**Average Yield (4) / Cost of funds (5) (%)**	**Average Balance (1)**	**Interest Income (2)/ Interest Expended (3)***	**Average Yield (4) / Cost of funds (5) (%)***	**Average Balance (1)**	**Interest Income (2)/ Interest Expended (3)***	**Average Yield (4) / Cost of funds (5) (%)***
Interest-earning assets															
Housing and other property loans	97,611.4	13,033.6	13.4%	112,868.0	14,634.3	13.0%	129,059.0	16,748.5	13.0%	126,847.8	12,335.5	13.0%	148,804.5	15,794.0	14.2%
Balances with banks in deposit	24,024.0	1,212.1	5.0%	18,690.0	689.0	3.7%	17,626.5	739.7	4.2%	16,539.7	462.0	3.7%	15,205.5	699.0	6.1%
Investment in bonds and debentures	239.4	23.5	9.8%	1,101.4	59.6	5.4%	3,272.6	274.6	8.4%	3,063.1	198.0	8.6%	4,625.6	240.2	6.9%
Other assets	-	0.2	N/A	-	-	N/A	-	-	N/A	-	-	NA	-	-	NA
Total interest-earning assets (A)	**121,874.8**	**14,269.4**	**11.7%**	**132,659.4**	**15,382.9**	**11.6%**	**149,958.1**	**17,762.8**	**11.8%**	**146,450.6**	**12,995.5**	**11.8%**	**168,635.6**	**16,733.2**	**13.2%**
Non-interest earning assets															
Property, plant and equipment, Right to use assets and Other intangible assets	487.0	-	0.0%#	541.0	-	0.0%#	592.0	-	0.0%#	582.1	-	0.0%#	704.1	-	0.0%#
Other non-interest earning assets(8)	7,621.9	-	0.0%#	6,830.3	-	0.0%#	4,418.3	-	0.0%#	4,304.7	-	0.0%#	3,927.5	-	0.0%#
Total non-interest	**8,108.9**	**-**	**0.0%#**	**7,371.3**	**-**	**0.0%#**	**5,010.3**	**-**	**0.0%#**	4,886.8	-	0.0%#	4,631.6	-	0.0%#

	As of/for the														
	FY 2021			**FY 2022**			**FY 2023**			**Nine months ended December 31, 2022**			**Nine months ended December 31, 2023**		
	Average Balance (1)	**Interest Income (2)/ Interest Expended (3)**	**Average Yield (4) / Cost of funds (5) (%)**	**Average Balance (1)**	**Interest Income (2)/ Interest Expended (3)**	**Average Yield (4) / Cost of funds (5) (%)**	**Average Balance (1)**	**Interest Income (2)/ Interest Expended (3)**	**Average Yield (4) / Cost of funds (5) (%)**	**Average Balance (1)**	**Interest Income (2)/ Interest Expended (3)***	**Average Yield (4) / Cost of funds (5) (%)***	**Average Balance (1)**	**Interest Income (2)/ Interest Expended (3)***	**Average Yield (4) / Cost of funds (5) (%)***
earning assets (B)															
Total Assets/ Total Interest Income (C = A+B)	**129,983.7**	**14,269.4**	**11.0%**	**140,030.7**	**15,382.9**	**11.0%**	**154,968.4**	**17,762.8**	**11.5%**	**151,337.4**	**12,995.5**	**11.4%**	**173,267.2**	**16,733.2**	**12.9%**
Interest-bearing liabilities															
Debt securities	19,242.3	1,800.2	9.4%	19,523.0	1,697.4	8.7%	21,532.1	1,782.4	8.3%	20,618.7	1,272.1	8.2%	24,419.4	1,535.5	8.4%
Borrowings (other than debt securities) (6)(9)	79,472.7	5,988.1	7.5%	84,646.9	5,564.0	6.6%	91,808.5	5,945.6	6.5%	90,530.0	4,386.6	6.5%	101,336.5	5,523.7	7.3%
Deposits	543.0	48.6	9.0%	242.8	7.9	3.3%	55.6	3.7	6.7%	57.6	2.9	6.7%	24.0	1.7	9.4%
Subordinated liabilities	831.2	82.7	9.9%	832.7	82.7	9.9%	744.1	68.9	9.3%	744.1	52.9	9.5%	625.4	46.5	9.9%
Lease liabilities	276.7	21.1	7.6%	314.7	29.5	9.4%	342.4	35.0	10.2%	339.1	26.1	10.3%	438.3	30.8	9.4%
Other liabilities (7)	N/A	219.0	N/A	N/A	230.5	N/A	N/A	156.3	N/A	N/A	116.7	N/A	N/A	109.9	N/A
Total interest-bearing liabilities	**100,365.9**	**8,159.7**	**8.1%**	**105,560.1**	**7,612.0**	**7.2%**	**114,482.7**	**7,991.9**	**7.0%**	**112,289.5**	**5,857.3**	**7.0%**	**126,843.6**	**7,248.1**	**7.6%**
Non-interest bearing liabilities															
Current tax liabilities (net)	-	-	0.0%#	-	-	0.0%#	-	-	0.0%#	-	-	0.0%#	0.6	-	0.0%#
Provisions	110.9	-	0.0%#	132.0	-	0.0%#	157.0	-	0.0%#	149.5	-	0.0%#	198.1	-	0.0%#
Deferred tax liabilities (net)	182.3	-	0.0%#	165.6	-	0.0%#	123.8	-	0.0%#	151.4	-	0.0%#	77.5	-	0.0%#
Other non-financial liabilities(10)	4,124.1	-	0.0%#	4,975.5	-	0.0%#	5,983.2	-	0.0%#	5,234.8	-	0.0%#	6,413.3	-	0.0%#

	As of/for the														
	FY 2021			FY 2022			FY 2023			Nine months ended December 31, 2022			Nine months ended December 31, 2023		
	Average Balance (1)	Interest Income (2)/ Interest Expended (3)	Average Yield (4) / Cost of funds (5) (%)	Average Balance (1)	Interest Income (2)/ Interest Expended (3)	Average Yield (4) / Cost of funds (5) (%)	Average Balance (1)	Interest Income (2)/ Interest Expended (3)	Average Yield (4) / Cost of funds (5) (%)	Average Balance (1)	Interest Income (2)/ Interest Expended (3) *	Average Yield (4) / Cost of funds (5) (%)*	Average Balance (1)	Interest Income (2)/ Interest Expended (3) *	Average Yield (4) / Cost of funds (5) (%)*
Total non-interest bearing liabilities	**4,417.3**	**-**	**0.0%#**	**5,273.1**	**-**	**0.0%#**	**6,264.0**	**-**	**0.0%#**	**5,535.7**	**-**	**0.0%#**	**6,689.5**	**-**	**0.0%#**
Total Liabilities / Total Interest Expended (D)	**104,782.2**	**8,159.7**	**7.8%**	**110,833.2**	**7,612.0**	**6.9%**	**120,746.7**	**7,991.9**	**6.6%**	**117,825.2**	**5,857.3**	**6.6%**	**133,533.1**	**7,248.1**	**7.2%**
Net Assets / Net Interest Income (E = C – D)	**25,201.5**	**6,109.7**	**3.2%**	**29,197.5**	**7,770.9**	**4.1%**	**34,221.7**	**9,770.9**	**4.9%**	**33,512.2**	**7,138.2**	**4.8%**	**39,734.1**	**9,485.1**	**5.7%**
Net Yield on Interest-earning Assets (F = E/A)	**20.7%**	**-**	**-**	**22.0%**	**-**	**-**	**22.8%**	**-**	**-**	**22.9%**	**-**	**-**	**23.6%**	**-**	**-**

** These financial data have been presented on an annualized basis in the following manner: reported figure multiplied by number of days in a FY divided by number of days in a year. The calculation does not take into account seasonality factors or any other factors which could impact period-on-period variations and may not reflect our actual performance for FY2023 and FY2024. The presentation of annualized financial data has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results. Annualized financial data are not standard measures under the Ind AS and should not be considered in isolation or construed as alternatives to net income/loss, cash flow or any other measure of financial performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Annualized financial data presented herein may not be comparable to similarly titled measures presented by other companies.*

 # Less than 0.1%

(1) Average Balances are defined as the average year or period end balances for the items listed in the table.

(2) Interest Income includes interest on housing and other property loans and spread income from assignment of loans.

(3) Interest Expended includes interests paid on debt securities, borrowings (other than debt securities), deposits, subordinated liabilities, lease liabilities and other finance charges.

(4) Average yield is the ratio of interest earned to average interest-earning assets (except that investments include equity investments) for the relevant year or period.

(5) Cost of funds is the ratio of interest expended during the year or period to the average interest-bearing liabilities for the year or period.

(6) Borrowings (other than debt securities) includes term loans and cash credit facilities. Interest expended on borrowings (other than debt securities) includes interest on others.

(7) Other finance charges include procurement costs and rating fees.

(8) Average balance of other non-interest earning assets is computed as Average Total Assets less total interest earning assets, Property Plant and Equipment, Right Of Use assets and Other Intangible assets.

(9) Interest Expended on Borrowings (Other than debt securities) includes Interest on others.

(10) Average balance of other non-financial liabilities is computed as average total liabilities (excluding equity) less total interest bearing liabilities less Current tax liabilities (net), Provisions and Deferred tax liabilities (net).

YIELDS, SPREADS AND MARGINS

The following table sets forth, as of and for the periods indicated, our yields, spreads and interest margins:

(₹ in million, except percentages)

	As of/for the				
	FY 2021	**FY 2022**	**FY 2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
Interest income(1)	14,269.4	15,382.9	17,762.8	12,995.5	16,733.2
Finance cost(2)	8,159.7	7,612.0	7,991.9	5,857.3	7,248.1
Total Interest-earning assets(3)	126,970.8	138,347.9	161,568.0	154,553.2	175,703.2
Average interest-earning assets(4)	121,874.9	132,659.4	149,958.1	146,450.6	168,635.6
Average Total Assets(5)	129,983.8	140,030.7	154,968.4	151,337.4	173,267.2
Average interest-bearing liabilities(6)	100,089.1	105,245.3	114,140.2	111,950.3	126,405.2
Total Income(7)	15,755.5	17,285.6	20,435.2	14,882.1	18,951.7
Net interest income(8)	7,595.8	9,673.6	12,443.3	9,024.8	11,703.6
Average yield on Loan Book(9)	13.2%	12.8%	12.8%	12.8%*	14.0%*
Average cost of borrowings (10)	8.2%	7.2%	7.0%	7.0%*	7.6%*
Spread(11)	5.0%	5.6%	5.8%	5.8%*	6.4%*
Net Interest Margin (%)(12)	5.8%	6.9%	8.0%	8.0%*	9.0%*
Average yield on disbursements(13)	13.3%	13.2%	13.6%	13.6%*	13.9%*
Incremental cost of borrowings(%)(14)	6.8%	5.9%	7.1%	6.7%	7.9%
Incremental borrowings(15)	36,510.0	38,340.0	39,020.0	25,660.0	35,900.0

Figures disclosed in the above table, except "Finance cost" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies. For reconciliation of non-GAAP measures, see "– Non-GAAP Reconciliations" on page 234.

(1) *Interest income:- Represents our interest income for the relevant year or period.*

(2) *Finance Cost:- Represents our finance cost for the relevant year or period.*

(3) *Total interest-earning assets:- Represents housing and other loans; balances with banks in deposit accounts with original maturity of less than three months; balances with banks in other deposit accounts with an original maturity of more than three months; fixed deposits with banks; and investment in bonds as of the last day of the previous year or period.*

(4) *Average interest-earning assets:- Represent the simple average of total interest-earning assets as of the last day of the relevant year or period and total interest-earning assets outstanding as of the last day of the previous year or period.*

(5) *Average Total Assets:- Represents the simple average of total assets outstanding as of the last day of the relevant year or period and total assets outstanding as of the last day of the previous year or period.*

(6) *Average interest-bearing liabilities:- Represents the simple average of our total interest-bearing liabilities (which comprises Total Borrowings) outstanding as of the last day of the relevant year or period and our total interest-bearing liabilities outstanding as of the last day of the previous year or period.*

(7) *Total Income:- Represents our total income for the relevant year or period.*

(8) *Net Interest Income or "NII":- Represents total income less finance costs, for the relevant year or period.*

(9) *Average Yield on Gross Loan Book:- Represents the ratio of interest income for a year or period to the average Gross Loan Book for the year or period. Gross Loan Book represents housing and other loans. Gross Loan Book is the simple average of our Loan Book outstanding as of the last day of the relevant year or period and our Loan Book outstanding as of the last day of the previous year or period.*

(10) *Average cost of borrowing:- Represents finance cost for the relevant year or period as a percentage of Average Borrowings in such year or period. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year or period and our Total Borrowings outstanding as of the last day of the previous year or period.*

(11) *Spread:- Represents average yield on Gross Loan Book less average cost of borrowings.*

(12) *Net Interest Margin:- Represents the ratio of our total income for a year or period, less finance costs for the year or period to the Average Total Assets for the year or period.*

(13) *Average yield on Disbursements:- Represents weighted average yield on Disbursement, weights being sanctioned amount of each loan disbursed during the year or period.*

(14) *Incremental cost of borrowings:- Represents weighted average rate of interest on fresh borrowings in the relevant year or period.*

(15) *Incremental Borrowings:- Represents fresh borrowings during the year or period.*

* *These financial data have been presented on an annualized basis in the following manner: reported figure multiplied by number of days in a FY divided by number of days in a year. The calculation does not take into account seasonality factors or any other factors which could impact period-on-period variations and may not reflect our actual performance for FY2023 and FY2024. The presentation of annualized financial data has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results. Annualized financial data are not standard measures under the Ind AS and should not be considered in isolation or construed as alternatives to net income/loss, cash flow or any other measure of financial performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Annualized financial data presented herein may not be comparable to similarly titled measures presented by other companies.*

ASSET QUALITY

Total Loan Book (Housing and other property loans and Loans to developers)

(₹ in million)

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Gross loan balances					
Stage 1 Assets	99,848.4	112,973.0	132,943.9	127,869.5	152,811.7
Stage 2 Assets	6,848.6	6,512.0	5,805.7	5,742.8	6,143.3

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Stage 3 Assets	1,350.1	1,836.5	1,625.9	2,402.4	2,308.1
Total gross loan balances	**108,047.1**	**121,321.5**	**140,375.5**	**136,014.7**	**161,263.1**
Provisions					
Stage 1 Assets	249.2	354.7	529.4	439.4	539.2
Stage 2 Assets	795.6	817.0	774.8	743.6	776.2
Stage 3 Assets	433.6	546.3*	556.8	739.5	853.3
Total Provisions	**1,478.4**	**1,718.0**	**1,861.0**	**1,922.5**	**2,168.7**
Loan balances (net of provisions)					
Stage 1 Assets	99,599.2	112,618.3	132,414.5	127,430.1	152,272.5
Stage 2 Assets	6,053.0	5,695.0	5,030.9	4,999.2	5,367.1
Stage 3 Assets	916.5	1,290.2	1,069.1	1,662.9	1,454.8
Loan balances (net of provisions)	**106,568.7**	**119,603.5**	**138,514.5**	**134,092.2**	**159,094.4**

**See above discussions about the November 12 Circular on page 217. Stage 3 include loan assets not more than 90 days past due (stage 3a assets) and more than 90 days past due (stage 3b assets). The table below sets forth, for the periods indicated, the breakdown for housing and other property loan:*

As of December 31, 2023

Particulars	*Gross Carrying Amount*	*Expected Credit Loss*	*Net Carrying Amount*
	(₹ in million)		
Stage 3a – assets not more than 90 days past due	*52.2*	*11.8*	*40.4*
Stage 3b – assets more than 90 days past due	*2,255.9*	*841.5*	*1,414.4*
Total Stage 3 - Credit-impaired assets	***2,308.1***	***853.3***	***1,454.8***

As of December 31, 2022

Particulars	*Gross Carrying Amount*	*Expected Credit Loss*	*Net Carrying Amount*
	(₹ in million)		
Stage 3a – assets not more than 90 days past due	*148.9*	*44.6*	*104.3*
Stage 3b – assets more than 90 days past due	*2,253.5*	*694.9*	*1,558.5*
Total Stage 3 - Credit-impaired assets	***2,402.4***	***739.5***	***1,662.9***

As of March 31, 2023

Particulars	*Gross Carrying Amount*	*Expected Credit Loss*	*Net Carrying Amount*
	(₹ in million)		
Stage 3a – assets not more than 90 days past due	*58.9*	*14.2*	*44.7*
Stage 3b – assets more than 90 days past due	*1,567.0*	*542.6*	*1,024.4*
Total Stage 3 - Credit-impaired assets	***1,625.9***	***556.8***	***1,069.1***

As of March 31, 2022

Particulars	*Gross Carrying Amount*	*Expected Credit Loss*	*Net Carrying Amount*
	(₹ in million)		
Stage 3a – assets not more than 90 days past due	*338.9*	*53.2*	*285.7*
Stage 3b – assets more than 90 days past due	*1,486.6*	*482.1*	*1,004.5*
Total Stage 3 - Credit-impaired assets	***1,825.5***	***535.3***	***1,290.2***

Note: Stage 3b – assets more than 90 days past due as of December 31, 2023, December 31, 2022, March 31, 2023 and March 31, 2022, is comparable with Stage 3 assets as of March 31, 2021.

Housing and Other Property Loans by Stage

(₹ in million)

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Gross loan balances					
Stage 1 Assets	99,829.6	112,973.0	132,943.9	127,869.5	152,811.7
Stage 2 Assets	6,848.6	6,512.0	5,805.7	5,742.8	6,143.3
Stage 3 Assets	1,350.1	1,825.5*	1,625.9	2,402.4	2,308.1
Total gross loan balances	**108,028.3**	**121,310.5**	**140,375.5**	**136,014.7**	**161,263.1**
Provisions					
Stage 1 Assets	244.2	354.7	529.4	439.4	539.2
Stage 2 Assets	795.6	817.0	774.8	743.6	776.2
Stage 3 Assets	433.6	535.3*	556.8	739.5	853.3
Total Provisions	**1,473.4**	**1,707.0**	**1,861.0**	**1,922.5**	**2,168.7**
Loan balances (net of provisions)					
Stage 1 Assets	99,585.4	112,618.3	132,414.5	127,430.1	152,272.5
Stage 2 Assets	6,053.0	5,695.0	5,030.9	4,999.2	5,367.1
Stage 3 Assets	916.5	1,290.2	1,069.1	1,662.9	1,454.8

	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Total loan balances (net of provisions)	**106,554.9**	**119,603.5**	**138,514.5**	**134,092.2**	**159,094.4**

**See above discussions about the November 12 Circular on page 217. Stage 3 include loan assets not more than 90 days past due (stage 3a assets) and more than 90 days past due (stage 3b assets).*

As of December 31, 2023

(₹ in million)

Particulars	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – assets not more than 90 days past due	52.2	11.8	40.4
Stage 3b – assets more than 90 days past due	2,255.9	841.5	1,414.4
Total Stage 3 - Credit-impaired assets	**2,308.1**	**853.3**	**1,454.8**

As of December 31, 2022

(₹ in million)

Particulars	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – assets not more than 90 days past due	148.9	44.6	104.3
Stage 3b – assets more than 90 days past due	2,253.5	694.9	1,558.5
Total Stage 3 - Credit-impaired assets	**2,402.4**	**739.5**	**1,662.9**

As of March 31, 2023

(₹ in million)

Particulars	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – assets not more than 90 days past due	58.9	14.2	44.7
Stage 3b – assets more than 90 days past due	1,567.0	542.6	1,024.4
Total Stage 3 - Credit-impaired assets	**1,625.9**	**556.8**	**1,069.1**

As of March 31, 2022

(₹ in million)

Particulars	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – assets not more than 90 days past due	338.9	53.2	285.7
Stage 3b – assets more than 90 days past due	1,486.6	482.1	1,004.5
Total Stage 3 - Credit-impaired assets	**1,825.5**	**535.3**	**1,290.2**

Loans to Developers

We have discontinued loans to developers and no fresh loan sanctions were made in this category for FY2021, FY2022 and FY2023 and for the nine months ended December 31, 2022 and December 31, 2023.

(₹ in million)

	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Gross loan balances					
Stage 1 Assets	18.8	-	-	-	-
Stage 2 Assets	-	-	-	-	-
Stage 3 Assets	-	11.0	-	-	-
Total gross loan balances	**18.8**	**11.0**	-	-	-
Provisions					
Stage 1 Assets	5.0	-	-	-	-
Stage 2 Assets	-	-	-	-	-
Stage 3 Assets	-	11.0	-	-	-
Total Provisions	**5.0**	**11.0**	-	-	-
Loan balances (net of provisions)					
Stage 1 Assets	13.8	-	-	-	-
Stage 2 Assets	-	-	-	-	-
Stage 3 Assets	-	-	-	-	-
Total loan balances (net of provisions)	**13.8**	**-**	-	-	-

PRODUCTIVITY RATIOS

The following table sets forth, for the periods indicated, certain productivity ratios for our Company:

	As of/for the year ended			As of/ for the nine months ended	
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Number of branches and sales offices[(1)]	310	332	469	415	487
Number of on-roll employees[(2)]	2,310	2,769	3,663	3,360	3,885
Number of off-roll employees [(3)]	1,513	1,342	1,955	1,847	1,875
Live accounts (including assigned and co-lent accounts)[(4)]	182,471	204,135	233,228	222,346	255,683
AUM per branch and sales office [(5)] (₹ *in million*)	429.9	445.1	367.2	399.2	407.9
AUM per employee[(6)] (₹ *in million*)	57.7	53.4	47.0	49.3	51.1
Disbursement per branch and sales office[(7)] (₹ *in million*)	114.3	120.2	125.9	95.1	100.7
Disbursement per employee[(8)] (₹ *in million*)	15.3	14.4	16.1	11.7	12.6
Live accounts per branch and sales office [(9)]	588.6	614.9	497.3	535.8	525.0
Live accounts per employee[(10)]	79.0	73.7	63.7	66.2	65.8

(1) Number of branches and sales offices:- Represents aggregate number of branches and sales offices (launched and opened in last quarter of FY2023) of our Company as of the last day of relevant period. The number of branches does not include regional offices and corporate offices.
(2) Number of on-roll employees represents aggregate number of employees of our Company as of the last day of relevant period.
(3) Number of off-roll employees represents aggregate number of employees of our Subsidiary as of the last day of relevant period.
(4) Live Accounts (including assigned and co-lent accounts):- Represent the aggregate number of loan accounts outstanding as of the end of the relevant year or period including loan accounts which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.
(5) AUM per branch and sales office represents AUM as of last day of the relevant period divided by number of branches and sales offices. Branches does not include regional offices and corporate offices. The AUM per branch and sales office decreased in FY2023 and the nine months ended December 31, 2023 as compared to FY2022 and the nine months ended December 31, 2022, respectively, due to the launch and opening of sales offices in last quarter of FY2023.
(6) AUM per employee represents AUM as of the last day of the relevant period divided by number of on roll employees.
(7) Disbursement per branch and sale office represents disbursements in the relevant period divided by number of branches and sales offices. Branches does not include regional offices and corporate offices. The disbursement per branch and sales office decreased in FY2023 and the nine months ended December 31, 2023 as compared to FY2022 and the nine months ended December 31, 2022, respectively, due to the launch and opening of sales offices in last quarter of FY2023.
(8) Disbursement per employee represents disbursements in the relevant period divided by number of on roll employees.
(9) Live accounts per branch and sale office represents live accounts as of the last day of the relevant period divided by number of branches and sales offices. Branches does not include regional offices and corporate offices. Live accounts per branch and sales office decreased in FY2023 and the nine months ended December 31, 2023 as compared to FY2022 and the nine months ended December 31, 2022, respectively, due to the launch and opening of sales offices in last quarter of FY2023.
(10) Live accounts per employee represents live accounts as of the last day of the relevant period divided by number of on roll employees.

Our sales offices were launched and opened in the last quarter of FY2023. The following table sets forth, for the periods indicated, certain productivity ratios for our Company, excluding the sales offices which were opened in new locations:

	As of/for the year ended			As of/for the nine months ended	
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Number of branches [(1)]	310	332	394	415	393
Number of on-roll employees[(2)]	2,310	2,769	3,611	3,360	3,814
Number of off-roll employees [(3)]	1,513	1,342	1,950	1,847	1,839
Live accounts (including assigned and co-lent accounts)[(4)]	182,471	204,135	233,191	222,346	254,264
AUM per branch [(5)] *(₹ in million)*	429.9	445.1	437.1	399.2	503.3
AUM per employee[(6)] *(₹ in million)*	57.7	53.4	47.7	49.3	51.9
Disbursement per branch [(7)] *(₹ in million)*	114.3	120.2	149.8	95.1	122.7
Disbursement per employee[(8)] (₹ *in million*)	15.3	14.4	16.3	11.7	12.6
Live accounts per branch [(9)]	588.6	614.9	591.9	535.8	647.0
Live accounts per employee[(10)]	79.0	73.7	64.6	66.2	66.7

(1) Number of branches:- Represents aggregate number of branches of our Company as of the last day of relevant period. The number of branches does not include regional offices and corporate offices.
(2) Number of on-roll employees represents aggregate number of employees of our Company as of the last day of relevant period.
(3) Number of off-roll employees represents aggregate number of employees of our Subsidiary as of the last day of relevant period.
(4) Live Accounts (including assigned and co-lent accounts):- Represent the aggregate number of loan accounts outstanding as of the end of the relevant year or period including loan accounts which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.
(5) AUM per branch represents AUM as of last day of the relevant period divided by number of branches. The number of branches does not include regional offices and corporate offices.
(6) AUM per employee represents AUM as of the last day of the relevant period divided by number of on roll employees.
(7) Disbursement per branch represents disbursements in the relevant period divided by number of branches. The number of branches does not include regional offices and corporate offices.
(8) Disbursement per employee represents disbursements in the relevant period divided by number of on roll employees.
(9) Live accounts per branch represents live accounts as of the last day of the relevant period divided by number of branches. The number of branches does not include regional offices and corporate offices.
(10) Live accounts per employee represents live accounts as of the last day of the relevant period divided by number of on roll employees.

PROVISIONING AND WRITE-OFFS

The classification as per Ind AS is set out below:

Asset Category (Loan Book – housing and other property loans and loans to developers)	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Stage 1 Assets(1)	92.4%	93.1%	94.7%	94.0%	94.8%
Stage 2 Assets(2)	6.3%	5.4%	4.1%	4.2%	3.8%
Stage 3 Assets(3)	1.3%	1.5%	1.2%	1.8%	1.4%

(1) % of Stage 1 Assets in total of Stage 1, Stage 2, Stage 3 in Total Loan Book
(2) % of Stage 2 Assets in total of Stage 1, Stage 2, Stage 3 in Total Loan Book
(3) % of Stage 3 Assets in total of Stage 1, Stage 2, Stage 3 in Total Loan Book

CAPITAL ADEQUACY (CRWAR)

(₹ in million, except numbers and percentages)

Particulars	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Tier I Capital *	26,621.8	31,050.1	34,741.7	34,995.7	38,833.0
Tier II Capital *	909.2	846.7	889.4	799.4	779.2
Total Capital *	**27,531.0**	**31,896.8**	**35,631.1**	**35,795.1**	**39,612.2**
Total Risk Weighted Assets *	**62,454.9**	**70,243.2**	**83,391.3**	**79,794.0**	**99,707.8**
CRWAR (%)*	**44.1%**	**45.4%**	**42.7%**	**44.9%**	**39.7%**
CRWAR – Tier I capital (%)*	42.6%	44.2%	41.7%	43.9%	38.9%
CRWAR – Tier II capital (%)*	1.5%	1.2%	1.1%	1.0%	0.8%
Debt(1) to total equity(2) ratio (x)	**3.9**	**3.4**	**3.3**	**3.3**	**3.1**

** On standalone basis*
Figures disclosed in the above table related to "Debt to total equity ratio" are not measures of financial position, operating performance or liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies.
(1) Debt:- Represents the represents the aggregate of debt securities, borrowings (other than debt securities), subordinated liabilities and deposits as of the last day of the relevant year or period.
(2) Total equity:- Represents the aggregate of our equity share capital and other equity.

SOURCES OF FUND

(₹ in million)

Particulars	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Term Loans – Secured (A)	**81,104.1**	**87,439.7**	**95,427.3**	**92,870.3**	**107,245.4**
Banks	64,123.2	63,586.0	65,406.7	64,837.2	71,413.9
NHB	16,980.9	23,853.7	30,020.6	28,033.1	35,831.5
Redeemable Non-Convertible Debentures Secured (B)	**21,403.1**	**17,642.9**	**25,421.3**	**23,594.4**	**23,417.4**
Non-Convertible Debentures – Unsecured(C)	-	-	-	-	-
Non-Convertible Debentures – Unsecured - Subordinate Debt (Tier II) (D)	**831.9**	**833.4**	**654.7**	**654.8**	**596.0**
Cash Credit/Overdraft – Secured (E)	-	**750.0**	-	-	**0.3**
Banks	-	750.0	-	-	-
Commercial Paper (F)	-	-	-	-	-
Deposits (G)	**405.6**	**79.9**	**31.2**	**35.2**	**16.8**
Public Deposits (1)	405.6	79.9	31.2	35.2	16.8
Other Deposits	-	-	-	-	-
Total Borrowings (H = A+B+C+D+E+F+G)	**103,744.7**	**106,745.9**	**121,534.5**	**117,154.7**	**131,275.9**

(1) The Public Deposits are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987 and are uninsured.

The following table sets forth, for the period ends indicated, a breakdown of the average amount and the average rate paid on the public deposits, segregated by their remaining maturity:

	As of/for the				
	FY 2021	FY 2022	FY 2023	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Maturity Profile					
3 months or less	8.9%	9.2%	9.1%	9.2%	9.3%
3 to 6 months	9.0%	9.0%	9.1%	9.1%	9.1%

	As of/for the				
	FY 2021	**FY 2022**	**FY 2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
6 to 12 months	9.0%	9.3%	9.1%	9.0%	9.1%
Over 12 months	9.2%	9.1%	9.1%	9.2%	9.2%
Average Deposit (1) (₹ in million)	543.0	242.8	55.6	57.5	24.3
Average rate (%)	9.0%	9.2%	9.1%	9.1%	9.2%

(1) Average deposit represents the simple average of deposit in the current year or period and deposit in the previous year or period.

Types of Borrowings (Including Assignment)

(₹ in million, except percentages)

Type of Borrowings including Assignment	As of March 31, 2023		As of December 31, 2023	
	Amount	**% Share**	**Amount**	**% Share**
Fixed Rate Borrowings	38,130	24.7%	36,349.5	21.4%
Floating Rate Borrowings	116,223	75.3%	133,719.3	78.6%
Total Borrowings Including Securitization / Assignment	**154,353**	**100.0%**	**170,068.8**	**100.0%**

Average Tenure of Borrowings

(in months)

Particulars	As of/for the				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Weighted Average Tenure of Borrowings (including securitization / assignment) (1)	104	105	107	107	116

(1) Weighted average tenure of borrowings represents the simple average of the number of months until principal amount is due, weighted by the principal amount outstanding as of the last day of relevant period or year.

Average Cost of Borrowings

Particulars	As of/for the				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Average Cost of Borrowing (1)	8.2%	7.2%	7.0%	7.0%	7.6%

(1) Average cost of borrowing represents finance cost divided by Average Borrowing. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year or period and our Total Borrowings outstanding as of the last day of the previous year or period.

Asset Liability Mismatch ("ALM")

(₹ in million)

	As of March 31, 2021			As of March 31, 2022			As of March 31, 2023			As of December 31, 2023		
	Liabilities (1)	**Assets(2)***	**Gap**	**Liabilities (1)**	**Assets(2)***	**Gap**	**Liabilities (1)**	**Assets(2)***	**Gap**	**Liabilities (1)**	**Assets(2)***	**Gap**
Years												
Up to 1 Year	33,510.4	54,827.2	21,316.8	27,503.5	50,204.7	22,701.1	49,340.5	74,345.4	25,004.9	50,393.7	74,296.9	23,903.1
Up to 3 year	72,449.6	82,337.7	9,888.1	73,054.0	77,811.7	4,757.6	104,915.8	132,999.8	28,084.0	115,449.3	148,785.8	33,336.5
Up to 5 year	93,997.6	104,086.0	10,088.4	99,338.6	99,921.2	582.5	144,978.2	179,110.3	34,132.1	154,997.7	204,680.9	49,683.2
Total (including over 5 years) (3)	**142,015.5**	**148,277.0**	**6,261.5**	**152,625.9**	**163,340.3**	**10,714.4**	**205,647.5**	**274,411.7**	**68,764.2**	**223,423.3**	**288,567.6**	**65,144.4**

** Note: The above asset maturity profile is calculated based on historical customer behaviour on our loan assets.*
(1) Liabilities represent trade payables, debt securities, borrowings (other than debt securities), deposits, subordinated liabilities and other financial liabilities.
(2) Assets represents cash and cash equivalents, other bank balances, housing and other loans, investments, and receivables and other financial assets.
(3) Assets up to 15 years were ₹148,234.4 million as of March 31, 2021, ₹158,422.4 million as of March 31, 2022, ₹272,328 million as of March 31, 2023 and ₹287,442 million as of December 31, 2023. As per NHB guidelines and our internal policies, assets included in over 15 years, are fixed assets, intangibles, other assets such as security deposits and capital advances and non-cash items.

Debt Securities

The following table sets forth, as of the period ends indicated, the weighted average yield maturity profile of debt securities:

	As of March 31, 2023	As of December 31, 2023
	Weighted Average Yield (1)	Weighted Average Yield (1)
Secured redeemable non-convertible debentures		
1 year or less	8.2%	7.5%
1 year to 5 years	8.4%	8.6%
5 years to 10 years	8.8%	8.9%
10 years or more	0.0%#	0.0%#

 # Less than 0.1%

(1) Weighted average yield:- Represents the average yield with weights being outstanding amount of each debenture subscribed or purchased at the end of period.

Borrowings (other than debt securities)

The following table sets forth, as of the period ends indicated, the weighted average yield maturity profile of borrowings (other than debt securities):

	As of March 31, 2023	As of December 31, 2023
	Weighted Average Yield (1)	Weighted Average Yield (1)
Term loans from banks		
1 year or less	8.4%	8.6%
1 year to 5 years	8.4%	8.6%
5 years to 15 years	8.4%	8.5%
15 years or more	7.8%	0.0%#
Term loans from national housing bank		
1 year or less	4.9%	5.3%
1 year to 5 years	4.7%	5.3%
5 years to 15 years	5.8%	7.0%
15 years or more	0.0%#	0.0%#
Cash credit facilities from banks		
1 year or less	0.0%#	0.0%#
1 year to 5 years	0.0%#	0.0%#
5 years to 15 years	0.0%#	0.0%#
15 years or more	0.0%#	0.0%#

 # Less than 0.1%

(1) Weighted average yield:- Represents the average yield with weights being outstanding amount of each loan disbursed at the end of period.

The following table sets forth, as of the period ends indicated, the breakdown of borrowings in the foregoing categories that are due after one year:

(₹ in million)

	As of March 31, 2023	As of December 31, 2023
	Outstanding Balance	Outstanding Balance
Term loans from banks		
– Due after one year with predetermined interest rates	999.3	836.2
– Due after one year with floating or adjustable interest rates	55,558.2	57,998.2
Term loans from national housing bank		
– Due after one year with predetermined interest rates	17,275.8	18,186.6
– Due after one year with floating or adjustable interest rates	8,380.7	10,582.4
Cash credit facilities from banks		
– Due after one year with predetermined interest rates	0.0	0.0
– Due after one year with floating or adjustable interest rates	0.0	0.0
Total	**82,208.0**	87,603.4

PRODUCT WISE AUM* (IN TERMS OF AMOUNT)

The following table sets forth our Gross AUM as of the period ends indicated:

(₹ in million)

	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Gross AUM	133,271.0	147,777.9	172,228.3	165,664.6	198,651.6

The following table sets forth, as of the period ends indicated, the breakdown of our Gross AUM by product:

(₹ in million)

Product	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Home Loan	112,959.6	120,918.0	134,593.1	131,785.7	150,738.1
Other Mortgage Loan	20,292.6	26,848.9	37,635.2	33,878.9	47,913.5
Loans to Developers	18.8	11.0	-	-	-

* *Including insurance portion*

PRODUCT WISE AUM (IN TERMS OF CASES)

Product	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31 2022**	**December 31, 2023**
	(in nos.)				
Home Loan	151,270	162,542	178,845	172,435	186,443
Other Mortgage Loan	31,200	41,592	54,383	49,911	69,240
Loans to Developers	1	1	0	0	0
Total	**182,471**	**204,135**	**233,228**	**222,346**	**255,683**

AUM BY SEGMENT* (RETAIL VS. CORPORATE CUSTOMERS)

(₹ in million, except percentages)

Segment/Product	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Retail					
Home Loan	112,959.6	120,918.0	134,593.1	131,785.7	150,738.1
Other Mortgage Loan	20,292.6	26,848.9	37,635.2	33,878.9	47,913.5
Corporate					
Home Loan	18.8	11.0	-	-	-
Other Mortgage Loan	-	-	-	-	-
Total	**133,271.0**	**147,777.9**	**172,228.3**	**165,664.6**	**198,651.6**
Retail	100.0%	100.0%	100.0%	100.0%	100.0%
Corporate	0.0%#	0.0%#	0.0%#	0.00%#	0.00%#

**including insurance portion*
#Less than 0.1%

PRODUCT WISE LTV ON GROSS AUM ON OUTSTANDING BASIS (%)

Product	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Home Loan	59.5%	60.5%	61.5%	61.2%	62.3%
Other Property Loan	43.3%	44.3%	44.4%	44.3%	45.7%
Loans to Developers	48.7%	47.3%	-	-	-
Total	**57.0%**	**57.5%**	**57.8%**	**57.7%**	**58.3%**

PRODUCT WISE TENURE OF AUM (IN MONTHS, ON ORIGINATION)

Product	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
	(in months)				
Home Loan	211	213	214	214	215
Other Mortgage Loan	170	170	167	168	167
Loans to Developers	48	48	-	-	-

PRODUCT WISE ATS ON AUM (BASED ON SANCTIONED AMOUNT)

(₹ in million)

Product	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Home Loan	0.9	0.9	1.0	1.0	1.0
Other Mortgage Loan	0.7	0.7	0.8	0.8	0.8

Product	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Loans to Developers	30.0	30.0	-	-	-
Total	**0.9**	**0.9**	**0.9**	**0.9**	**1.0**
Retail	0.9	0.9	0.9	0.9	1.0

AVERAGE INTEREST YIELD ON AUM BY PRODUCT

Product	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Home Loan	12.7%	12.4%	12.6%	12.7%	13.1%
Other Mortgage Loan	15.4%	15.5%	16.3%	16.2%	16.9%
Loans to Developers	18.4%	18.4%	-	-	-
Total	**13.1%**	**13.0%**	**13.4%**	**13.4%**	**14.0%**
Retail	13.1%	13.0%	13.4%	**13.4%**	**14.0%**

GROSS NPA (AUM)

The following table sets forth our Gross NPA as of the period ends indicated:

(₹ in million)

	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Gross NPA	1,430.3	2,154.5	1,997.7	2,920.8	2,778.5

The following table sets forth, as of the period ends indicated, the breakdown of our Gross NPA by product:

(₹ in million)

Product	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Home Loan	1,195.9	1,621.2	1,471.0	2,179.2	1,961.5
Other Mortgage Loan	234.4	522.3	526.7	741.6	817.0
Loans to Developers	-	11.0	-	-	-

NUMBER OF CASES OF GROSS NPA (AUM)

Product	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
	(in No. of cases)				
Home Loan	1,548	2,254	2,037	2,945	2,595
Other Mortgage Loan	361	773	797	1,109	1,222
Loans to Developers	-	1	-	-	-
Total	**1,909**	**3,028**	**2,834**	**4,054**	**3,817**

% GROSS NPA TO AUM

The following table sets forth gross NPA as a percentage of our in AUM as of the period ends indicated:

	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
% Gross NPA	1.1%	1.5%	1.2%	1.8%	1.4%

The following table sets forth, as of the period ends indicated, the breakdown of our gross NPA as a percentage of our in AUM by product:

Product	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Home Loan	1.1%	1.3%	1.1%	1.7%	1.3%
Other Mortgage Loan	1.2%	2.0%	1.4%	2.2%	1.7%
Loans to Developers	0.0%#	100.0%	0.0%#	0.0%#	0.0%#

 # Less than 0.1%

See above discussions about the November 12 Circular on page 217.

As of March 31, 2023, we classified our Net Stage 3 assets of ₹ 1,069.1 million into:

(a) Stage 3a: ₹ 44.7 million loans not more than 90 days past due; and

(b) Stage 3b: ₹ 1,024.4 million loans more than 90 days past due.

We classified our Net Stage 3 assets of ₹ 1,454.8 million as of December 31, 2023 into:

(a) Stage 3a: ₹ 40.4 million loans not more than 90 days past due; and

(b) Stage 3b: ₹ 1,414.4 million loans more than 90 days past due.

Our Stage 3b loans are comparable to our NPAs for the previous period/years.

AUM BY RATE METHOD

(₹ in million, except percentages)

	As of March 31, 2023			As of December 31, 2023		
Rate Method	AUM	% Share	Yield	AUM	% Share	Yield
Fixed	25,387.0	14.8%	9.7%	33,761.3	17.0%	11.0%
Floating	146,687.0	85.2%	14.1%	164,851.5	83.0%	14.6%
Grand Total	**172,074.0**	**100.0%**	**13.4%**	**198,612.8**	**100.0%**	**14.0%**

AUM BY STATE/TERRITORY

(₹ in million, except percentages)

AUM BY STATE/TERRITORY	As of									
	March 31, 2021		March 31, 2022		March 31, 2023		December 31, 2022		December 31, 2023	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
Uttar Pradesh	21,221.1	15.9%	22,240.0	15.0%	24,389.6	14.2%	23,757.5	14.3%	27,097.0	13.6%
Maharashtra	20,000.9	15.0%	21,901.1	14.8%	24,281.8	14.1%	23,740.0	14.3%	27,768.0	14.0%
Madhya Pradesh	15,206.1	11.4%	16,022.2	10.8%	17,608.7	10.2%	17,339.7	10.5%	19,515.8	9.8%
Gujarat	14,154.0	10.6%	16,298.1	11.0%	18,859.6	11.0%	18,513.1	11.2%	22,054.5	11.1%
Rajasthan	13,579.1	10.2%	16,726.9	11.3%	21,451.1	12.5%	20,291.6	12.2%	25,297.0	12.7%
Tamil Nadu	9,721.5	7.3%	11,240.3	7.6%	14,061.8	8.2%	13,195.4	8.0%	16,641.2	8.4%
Telangana	7,597.5	5.7%	8,808.6	6.0%	11,204.0	6.5%	10,472.8	6.3%	13,312.7	6.7%
Andhra Pradesh	5,144.4	3.9%	5,640.0	3.8%	6,784.2	3.9%	6,396.5	3.9%	8,345.9	4.2%
Karnataka	6,457.4	4.8%	6,590.6	4.5%	6,731.7	3.9%	6,681.1	4.0%	7,297.2	3.7%
Others	20,189.0	15.1%	22,310.1	15.2%	26,855.8	15.6%	25,276.9	15.3%	31,322.3	15.8%
Total	**133,271.0**	**100.0%**	**147,777.9**	**100.0%**	**172,228.3**	**100.0%**	**165,664.6**	**100.0%**	**198,651.6**	**100.0%**

GROSS AUM BY INCOME GROUP

(₹ in million, except percentages)

Income Segment	As of									
	March 31, 2021		March 31, 2022		March 31, 2023		December 31, 2022		December 31, 2023	
	Amount	% Share	Amount	%Share	Amount	% Share	Amount	%Share	Amount	% Share
EWS(1)	44,649.0	33.5%	48,534.0	32.8%	48,355.4	28.1%	49,818.8	30.1%	50,932.4	25.6%
LIG(2)	63,368.0	47.5%	69,829.0	47.3%	82,141.5	47.7%	79,107.1	47.7%	93,948.0	47.3%
MIG(3)	23,523.0	17.7%	27,145.9	18.4%	39,458.2	22.8%	34,873.0	21.1%	50,253.7	25.3%
HIG(4)	1,731.0	1.3%	2,269.0	1.5%	2,273.2	1.3%	1,865.7	1.1%	3,517.5	1.8%
Total	**133,271.0**	**100.0%**	**147,777.9**	**100.0%**	**172,228.3**	**100.0%**	**165,664.6**	**100.0%**	**198,651.6**	**100.0%**

(1) Economically Weaker Section (EWS): Income up to Rs 0.3 mn p.a.

(2) Low Income Group (LIG): Above Rs 0.3 mn to Rs 0.6 mn p.a.

(3) Middle Income Group (MIG): Above Rs 0.6 mn to Rs 1.8 mn p.a.

(4) High Income Group: Above Rs 1.8 mn p.a.

AUM BY OCCUPATION

(₹ in million, except percentages)

Occupation	As of									
	March 31, 2021		March 31, 2022		March 31, 2023		December 31, 2022		December 31, 2023	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
Salaried	85,093.3	63.8%	90,891.1	61.5%	100,933.2	58.6%	98,490.7	59.5%	113,686.1	57.2%
Self Employed	48,177.7	36.2%	56,886.8	38.5%	71,295.1	41.4%	67,173.9	40.5%	84,965.5	42.8%
Total	**133,271.0**	**100.0%**	**147,777.9**	**100.0%**	**172,228.3**	**100.0%**	**165,664.6**	**100.0%**	**198,651.6**	**100.0%**

% RETAIL GROSS NPA BY OCCUPATION AND ASSOCIATED YIELD (%)

Occupation	As of									
	March 31, 2021		March 31, 2022		March 31, 2023		December 31, 2022		December 31, 2023	
	Yield	Gross NPA	Yield	Gross NPA	Yield	Gross NPA	Yield	Gross NPA	Yield	Gross NPA
Salaried	12.2%	0.7%	11.8%	1.0%	12.0%	0.8%	12.0%	1.2%	12.4%	0.9%
Self Employed	14.7%	1.8%	14.8%	2.2%	15.4%	1.7%	15.4%	2.6%	16.1%	2.1%
Total	**13.1%**	**1.1%**	**13.0%**	**1.5%**	**13.4%**	**1.2%**	**13.4%**	**1.8%**	**14.0%**	**1.4%**

ALLOWANCE FOR CREDIT LOSSES

Credit Ratio

The following table sets forth, for the periods indicated, the credit ratios, along with each component of the ratio:

(₹ in million, except percentages)

	As of/for the				
	FY 2021	FY 2022	FY 2023	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Allowance for credit losses to total loans outstanding (in %)	**1.4%**	**1.4%**	**1.3%**	**1.4%**	**1.3%**
Allowance for credit losses					
– Term Loans	1,478.4	1,718.1	1,861.0	1,922.5	2,168.7
– Cash credit facilities	0.0	0.0	0.0	0.0	0.0
Total loans outstanding (3)	107,611.0	121,321.5	140,375.5	136,014.7	161,263.2
Gross Stage 3 Assets to total loans outstanding (in %)	1.3%	1.5%	1.2%	1.8%	1.4%
Gross Stage 3 Assets (2)	1,350.1	1,836.5	1,625.9	2,402.4	2,308.1
Total loans outstanding (3)	107,611.0	121,321.5	140,375.5	136,014.7	161,263.2
Impairment loss allowance to stage 3 loans at each period end (in %)	32.1%	29.7%	34.2%	30.8%	37.0%
Impairment loss allowance	1,478.4	1,718.1	1,861.0	1,922.5	2,168.7
Provision against Stage 3 assets	433.6	546.3	556.8	739.5	853.3
Net write-offs during the period to average loans outstanding:					
a) Housing and Other Property Loan					
Net write off during the period(1)	46.6	411.8	416.9	393.4	203.7
Average loan outstanding (4)	99,228.8	114,669.4	130,843.0	128,662.6	150,819.4
b) Loan to Developer					
Net write-off during the period	296.2	(164.4)	(67.2)	(45.0)	(57.7)
Average loan outstanding (4)	233.1	14.9	5.5	5.5	0.0
Total loans					
Net write-off during the period	342.8	247.4	349.7	348.4	146.0
Average loan outstanding (4)	99,461.8	114,684.3	130,848.5	128,668.1	150,819.4

(1) Net write-off is the difference between gross loan write-offs and recoveries from write-offs.
(2) Gross Stage 3 assets includes interest accrued on stage 3 assets.
(3) Loan outstanding excludes loan against fixed deposits.

(4) *Average loan outstanding represents average of opening and closing of loan outstanding (excluding loan against fixed deposits).*

The changes in the percentage of non-accrual loans to total loans outstanding in FY2021, FY2022, FY2023 and the nine months ended December 31, 2022 and 2023 are mainly due to movements in collection efficiencies in the corresponding periods. The movements in allowance for credit losses to non-accrual loans are mainly due to the expected credit losses and management overlay provision. The movements in the net charge-offs to average loans outstanding are mainly due to actual settlements of NPA accounts and write-offs.

DISBURSEMENTS

Disbursement by segments

(₹ in million)

Product	For the				
	FY2021	**FY2022**	**FY2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
Home Loan	30,409.0	31,168.1	42,054.8	27,930.9	35,354.9
Other Mortgage Loan	5,038.1	8,751.2	16,971.3	11,522.7	13,685.7
Loans to Developers	-	-	-	-	-
Total	**35,447.1**	**39,919.3**	**59,026.1**	**39,453.6**	**49,040.6**

Number of fresh sanctions during the year (Number of cases)

Disbursement cases by product	For the				
	FY2021	**FY2022**	**FY2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
	(in nos.)				
Home Loan	49,829	49,305	56,591	38,309	42,391
Other Mortgage Loan	8,606	15,241	26,950	18,508	22,684
Loans to Developers	-	-	-	-	-
Total	**58,435**	**64,546**	**83,541**	**56,817**	**65,075**

Disbursements Yield (in %)

Disbursements Yield* by product	For the				
	FY2021	**FY2022**	**FY2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
Home Loan	12.8%	12.4%	12.5%	12.5%	12.7%
Other Mortgage Loan	16.3%	16.0%	16.5%	16.4%	16.9%
Loans to Developers	-	-	-	-	-
Total	**13.3%**	**13.2%**	**13.6%**	**13.6%**	**13.9%**

*Note: * Disbursements yield represents the average rate of interest for all loans disbursed in the period or year weighted by amount disbursed during the period or year.*

Disbursements by sourcing channels

(₹ millions, except percentages)

Channel	For the year ended March 31, 2021		For the year ended March 31, 2022		For the year ended March 31, 2023		For the nine months ended December 31, 2022		For the nine months ended December 31, 2023	
	Disbursements	**Contribution to total disbursements %**	**Disbursements**	**Contribution to total disbursements %**	**Disbursements**	**Contribution to total disbursements %**	**Disbursements**	**Contribution to total disbursements %**	**Disbursements**	**Contribution to total disbursements %**
Aadhar Mitras	8,759.4	24.7%	9,003.9	22.5%	11,388.0	19.2%	7,455.5	18.9%	10,180.0	20.8%
DSAs	10,175.6	28.7%	13,004.0	32.6%	24,645.0	41.8%	15,511.3	39.3%	22,419.0	45.7%
DSTs	16,512.1	46.6%	17,911.4	44.9%	22,993.1	39.0%	16,486.8	41.8%	16,441.6	33.5%
Total	**35,447.1**	**100.0%**	**39,919.3**	**100.0%**	**59,026.1**	**100.0%**	**39,453.6**	**100.0%**	**49,040.6**	**100.0%**

Average Ticket Size on Disbursement

(₹ in million)

Disbursement (ATS*)	For the				
	FY2021	FY2022	FY2023	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Home Loan	1.0	1.0	1.2	1.1	1.3
Other Mortgage Loan	0.8	0.8	0.9	0.8	0.8
Loans to Developers	-	-	-	-	-
Total	**1.0**	**1.0**	**1.1**	**1.1**	**1.1**

*Note: * Average ticket size represents the total sanctioned amount of the AUM of Live Accounts divided by those accounts.*

GOVERNMENT SANCTIONED PRADHAN MANTRI AWAS YOJANA (PMAY) SUBSIDY

Set forth below is certain information in relation to our live accounts (as of December 31, 2023) that have availed PMAY subsidy in the periods mentioned:

Particular	As of		
	FY2021	FY2022	FY2023
Total Sanction Count by GOI as PMAY Subsidy (in numbers)	6,457	10,291	32,852
EWS/LIG Sanction Count by GOI (in numbers)	5,861	9,966	32,852
Amount Sanctioned as PMAY Subsidy (₹ in million)*	1,129	2,227	6,687
EWS/LIG Amount Sanctioned (₹ in million)	1,026	2,164	6,687

**Total subsidy received and credited to customer account during the year is ₹ 1,684.3 million, ₹ 2,968.5 million and ₹ 7,549.9 million for FY2021, FY2022 and FY2023, respectively.*

The increase in our live accounts that have availed PMAY subsidiary in FY2023 as compared to FY2022 was mainly due to subsidies received pursuant to the Credit Linked Subsidy Scheme under the PMAY scheme.

NON-GAAP RECONCILIATIONS

Below are the reconciliations of the non-GAAP measures presented in this section, see "*Risk Factors – We have in this Red Herring Prospectus included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.*" on page 47 for further details:

(₹ in million, except percentages)

	As of/for the				
	FY2021	FY2022	FY 2023	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Average Cost of Borrowing					
Finance costs (A)	8,159.7	7,612.0	7,991.9	5,857.3	7,248.1
Debt securities	21,403.1	17,642.9	25,421.3	23,594.4	23,417.4
Borrowings (other than debt securities)	81,104.1	88,189.7	95,427.3	92,870.3	107,245.7
Deposits	405.6	79.9	31.2	35.2	16.8
Subordinated liabilities	831.9	833.4	654.7	654.8	596.0
Total Borrowing (B)	103,744.7	106,745.9	121,534.5	117,154.7	131,275.9
Average Borrowing (C)	100,089.1	105,245.3	114,140.2	111,950.3	126,405.2
Average Cost of Borrowing (D=A/C*100)	8.2%	7.2%	7.0%	7.0%*	7.6%*
Net NPA on AUM and NPA Provision Coverage Ratio					
Gross NPA [(1)] (A)	1,430.3	2,143.5	1,997.7	2,920.8	2,778.5
Less: Provision against NPA (Stage 3 Assets (Housing and Other Property Loan)) (B)	433.6	535.3	556.8	739.5	853.3
Net NPA[(2)] (C=A-B)	996.7	1,608.2	1,440.9	2,181.3	1,925.2
Retail AUM[(3)] (D)	133,252.2	147,766.9	172,228.3	165,664.6	198,651.6
Net NPA/AUM (E=C/D*100)	0.7%	1.1%	0.8%	1.3%	1.0%
Retail Provision Coverage Ratio % (F=B/A)	30.3%	25.0%	27.9%	25.3%	30.7%
Total Equity and Average Total Equity					
Equity share capital (A)	3,947.6	3,947.6	3,947.6	3,947.6	3,947.6
Other equity (B)	22,980.6	27,519.3	33,029.0	31,609.8	38,544.0
Total Equity (C = A+B)	26,928.2	31,466.9	36,976.6	35,557.4	42,491.6
Capital Reserve on Amalgamation (D)	0.6	0.6	0.6	0.6	0.6

	As of/for the				
	FY2021	**FY2022**	**FY 2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
Net Worth (E=A+B-D)	26,927.6	31,466.3	36,976.0	35,556.8	42,491.0
Average Total Equity(5)	25,200.8	29,197.6	34,221.8	33,512.2	39,734.1
Average Net Worth (6)	25,200.2	29,197.0	34,221.2	33,511.6	39,733.5
Return on Equity					
Net profit after tax (A)	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
Average Total Equity (B)	25,200.8	29,197.6	34,221.8	33,512.2	39,734.1
Return on Equity (C=A/B*100)	13.5%	15.2%	15.9%	16.1%*	18.4%*
Debt to Equity Ratio					
Total Borrowing (A)	103,744.7	106,745.9	121,534.5	117,154.7	131,275.9
Total Equity (B)	26,928.2	31,466.9	36,976.6	35,557.4	42,491.6
Debt to Equity Ratio (A/B)	3.9	3.4	3.3	3.3	3.1
Cost to Income Ratio					
Finance costs (A)	8,159.7	7,612.0	7,991.9	5,857.3	7,248.1
Total Income (B)	15,755.5	17,285.6	20,435.2	14,882.1	18,951.7
Employees benefits expense (C)	1,888.1	2,481.9	3,220.1	2,274.8	2,900.2
Depreciation and amortisation expense (D)	111.9	132.5	164.9	120.8	152.2
Other expenses (E)	721.3	898.5	1,358.0	913.8	1,187.7
Operating Expenses (F=C+D+E)	2,721.3	3,512.9	4,743.0	3,309.4	4,240.1
Cost to Income Ratio (G=F/(B-A)*100)	35.8%	36.3%	38.1%	36.7%	36.2%
Return on Total Average Asset					
Net profit after tax (A)	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
Total Assets (B)	136,303.3	143,758.1	166,178.7	158,916.6	180,355.7
Average Total Assets (C)	129,983.8	140,030.7	154,968.4	151,337.4	173,267.2
Return on total average asset (D=A/C*100)	2.6%	3.2%	3.5%	3.6%*	4.2%*
Return Before Exceptional Item on Equity and Return Before Exceptional Item on Total Assets					
Net profit after tax (A)	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
Exceptional Item (B)	-	-	250.0	-	-
Tax Adjustment on B above (C)	-	-	54.3	-	-
Net profit after tax before exceptional item (D=A+B-C)	3,401.3	4,448.5	5,643.3	4,040.6	5,478.8
Average Total Equity(5) (E)	25,200.8	29,197.6	34,221.8	33,512.2	39,734.1
Return before exceptional item on Equity (7) (F=D/E*100)	13.5%	15.2%	16.5%	16.1%*	18.4%*
Average Total Assets(8) (G)	129,983.8	140,030.7	154,968.4	151,337.4	173,267.2
Return before exceptional item on Average Total Assets (9) (H=D/G*100)	2.6%	3.2%	3.6%	3.6%*	4.2%*
Operating expenses to Average Total Assets					
Operating expenses (A)	2,721.3	3,512.9	4,743.0	3,309.40	4,240.10
Average Total Assets(8) (B)	129,983.8	140,030.7	154,968.4	151,337.4	173,267.2
Operating expenses to Average Total Assets (C=A/B*100)	2.1%	2.5%	3.1%	2.9%*	3.3%*
Credit Cost to Average Total Assets					
Impairment on financial instruments (Credit Cost) (A)	549.4	487.1	492.1	552.8	453.7
Average Total Assets(8) (B)	129,983.8	140,030.7	154,968.4	151,337.4	173,267.2
Credit Cost to Average Total Assets (10) (C=A/B*100)	0.4%	0.3%	0.3%	0.5%*	0.3%*
Average Yield on Loan Assets					
Interest on Loans (A)	13,033.6	14,634.3	16,748.5	12,335.5	15,794.0
Housing and other loans (B)	106,132.6	119,603.4	138,514.5	134,092.2	159,094.5
Impairment loss allowance (C)	1,478.4	1,718.1	1,861.0	1,922.5	2,168.7
Housing and other loans - Gross (D=B+C)	107,611.0	121,321.5	140,375.5	136,014.7	161,263.2
Average Housing and other loans(11) (E)	98,986.1	114,466.3	130,848.5	128,668.1	150,819.4

	As of/for the				
	FY2021	**FY2022**	**FY 2023**	**Nine months ended December 31, 2022**	**Nine months ended December 31, 2023**
Average Yield(12) (F=A/E*100)	13.2%	12.8%	12.8%	12.8%*	14.0%*
Net Interest Margin					
Total Income (A)	15,755.5	17,285.6	20,435.2	14,882.1	18,951.7
Finance Cost (B)	8,159.7	7,612.0	7,991.9	5,857.3	7,248.1
Net Interest Income(13) (C=A-B)	7,595.8	9,673.6	12,443.3	9,024.8	11,703.6
Average Total Assets(8) (D)	129,983.8	140,030.7	154,968.4	151,337.4	173,267.2
Net Interest Margin(14) (E=C/D*100)	5.8%	6.9%	8.0%	8.0%*	9.0%*
EBITDA and EBITDA / Total Income					
Profit/ (loss) for the period/year (A)	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
Tax expense (B)	923.8	1,225.1	1,510.6	1,122.0	1,531.0
Exceptional Items (C)	-	-	250.0	-	-
Finance costs (D)	8,159.7	7,612.0	7,991.9	5,857.3	7,248.1
Depreciation and amortisation (E)	111.9	132.5	164.9	120.8	152.2
EBITDA (A+B+C+D+E)	12,596.7	13,418.1	15,365.0	11,140.70	14,410.10
Total income	15,755.5	17,285.6	20,435.2	14,882.1	18,951.7

Average balances wherever presented are calculated as simple average of balance at the beginning of period and balance at the end of period.

Notes:

(1) *Gross NPA:- Represents our Gross Retail NPA (closing balance of the Gross NPA of our Retail AUM as of the last day or the relevant year or period). See ** under "– Financial Ratios" on page 216 for impact of the November 12 Circular.*

(2) *Net NPA:- Represents Gross NPA of our retail AUM as of the last day of the relevant year or period less provision on the same.*

(3) *Retail AUM:- Represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by our Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of securitization or assignment or co-lending and are outstanding as of the last day of the relevant year or period.*

(4) *Total Equity:- Represents the aggregate of our equity share capital and other equity.*

(5) *Average total equity:- Represents the simple average of our total equity as of the last day of the relevant year or period and our total equity as of the last day of the previous year or period.*

(6) *Average net worth: Represents the simple average of our net worth as of the last day of the relevant year or period and our net worth as of the last day of the previous year or period.*

(7) *Return before exceptional item on Equity:- Calculated as the Profit After Tax before exceptional item for the relevant year or period as a percentage of average total equity in such year or period.*

(8) *Average Total Assets:- Represents the simple average of total assets outstanding as of the last day of the relevant year or period and total assets outstanding as of the last day of the previous year or period.*

(9) *Return before exceptional item on Average Total Assets:- Calculated as the Profit After Tax before exceptional item for the relevant year or period as a percentage of Average Total Assets in such year or period.*

(10) *Credit Cost to Average Total Assets:- Calculated as impairment on financial assets for the relevant year or period as a percentage of Average Total Assets in such year or period.*

(11) *Average housing and other loans:- Represents the simple average of our housing and other loans as of the last day of the relevant year or period and our housing and other loans as of the last day of the previous year or period.*

(12) *Average yield: Represents the ratio of interest income on loans for a year or period to the average housing and other loans for the relevant year or period.*

(13) *Net interest income:- Calculated as our total income for the relevant year or period less finance cost for such year or period.*

(14) *Net interest margin:- Represents the ratio of our net interest income for a year or period to the Average Total Assets for such year or period.*

* *These financial data have been presented on an annualized basis in the following manner: reported figure multiplied by number of days in a FY divided by number of days in a year. The calculation does not take into account seasonality factors or any other factors which could impact period-on-period variations and may not reflect our actual performance for FY2023 and FY2024. The presentation of annualized financial data has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results. Annualized financial data are not standard measures under the Ind AS and should not be considered in isolation or construed as alternatives to net income/loss, cash flow or any other measure of financial performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Annualized financial data presented herein may not be comparable to similarly titled measures presented by other companies.*

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

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Walker Chandiok & Co LLP
Chartered Accountants
16th Floor, Tower III, One International Center
S B Marg, Prabhadevi (W)
Mumbai - 400 013

Kirtane & Pandit LLP
Chartered Accountants
601, 6th Floor, Earth Vintage, Senapati Bapat Marg
Dadar West
Mumbai - 400 028

INDEPENDENT AUDITORS' EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Aadhar Housing Finance Limited
2nd Floor, NO.3, JVT Towers
8th 'A' Main Road, S.R. Nagar
Bengaluru – 560 027
Karnataka

Dear Sirs,

1. We, **Walker Chandiok & Co LLP**, Chartered Accountants and **Kirtane & Pandit LLP**, Chartered Accountants ("we" or "us" or "our" or "Firm") have examined the attached Restated Consolidated Financial Information of Aadhar Housing Finance Limited (the "**Company**" or the "**Issuer**") and its subsidiary, Aadhar Sales and Services Private Limited (the Company and its subsidiary together referred to as the "**Group**"), comprising the Restated Consolidated Statement of Assets and Liabilities as at 31 December 2023 and 31 December 2022 and as at 31 March 2023, 31 March 2022 and 31 March 2021, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated Consolidated Cash Flow Statement for the nine month periods ended 31 December 2023 and 31 December 2022 and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021, the Summary Statement of Material Accounting Policies, and other explanatory information (collectively, the "**Restated Consolidated Financial Information**"), as approved by the board of directors of the Company ("**Board of Directors**") at their meeting held on 15 April 2024 for the purpose of inclusion in the Red Herring Prospectus ("**RHP**") and Prospectus (collectively "**Offer Documents**") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India ('SEBI'), BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") ("**Stock Exchanges**") and Registrar of Companies, Karnataka at Bangalore ("**RoC**") in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2.1 to the Restated Consolidated Financial Information. The responsibility of the respective board of directors of the companies included in the Group includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective board of directors are also responsible for identifying and ensuring that the Group complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 09 January 2024 and 08 April 2024 in connection with the proposed IPO of equity shares of the Issuer;

   b. The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

a. Audited special purpose interim consolidated financial statements of the Group as at and for the nine month periods ended 31 December 2023 and 31 December 2022 prepared in accordance with Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and the circulars and guidelines issued by the Reserve Bank of India (the 'RBI') and the National Housing Bank (the 'NHB') from time to time, to the extent applicable (the "Special Purpose Interim Consolidated Financial Statements") which have been approved by the Board of Directors at their meeting held on 15 April 2024.

b. Audited Consolidated financial statements of the Group as at and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and the circulars and guidelines issued by the RBI and NHB from time to time, to the extent applicable ("Audited Consolidated Financial Statements"), which have been approved by the Board of Directors at their meetings held on 16 May 2023, 16 May 2022 and 06 May 2021, respectively.

5. For the purpose of our examination, we have relied on:

   a. Auditors' report jointly issued by us dated 15 April 2024 on the special purpose interim consolidated financial statements of the Group as at and for the nine month period ended 31 December 2023, as referred in Paragraph 4 above;

   b. Auditors' reports issued by Walker Chandiok & Co LLP ('**Previous Auditor**') on the consolidated financial statements of the Group as at and for the years ended 31 March 2023 and 31 March 2022 dated 16 May 2023 and 16 May 2022, respectively, and on the special purpose interim consolidated financial statements of the Group as at and for nine months period ended 31 December 2022 dated 15 April 2024, as referred in Paragraph 4 above. The auditors report on the consolidated financial statements of the Group included the following other matter paragraph:

For the years ended 31 March 2023 and 31 March 2022

The adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements/financial information in so far as it relates to one subsidiary company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

c. Auditors' report issued by Deloitte Haskins & Sells LLP and Chaturvedi SK & Fellows ('**Previous Joint Auditors**') dated 06 May 2021 on the consolidated financial statements of the Group as at and for the year ended 31 March 2021, as referred in Paragraph 4 above.

   Walker Chandiok & Co LLP and Deloitte Haskins & Sells LLP and Chaturvedi SK & Fellows collectively referred as '**Predecessor Auditors**'.

   The audit for the financial years ended 31 March 2023 and 31 March 2022 and for the nine months ended 31 December 2022 was conducted by Previous Auditor (Walker Chandiok & Co LLP), and accordingly reliance has been placed on the restated consolidated statement of assets and liabilities and the restated consolidated statements of profit and loss (including other comprehensive income), statements of changes in equity and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information (the '**2023 and 2022 Restated Consolidated Financial Information**') and examined by them for the said years / periods. The examination report included for the said year is based solely on the report submitted by Previous Auditor. They have also confirmed that the 2023 and 2022 Restated Consolidated Financial Information:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2023 and 31 March 2022 and nine months period ended 31 December 2022, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine month period ended 31 December 2023;

   b) do not contain any modifications requiring adjustments. However, those qualifications / adverse remarks in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Note No. 2.1 to the Restated Consolidated Financial Information; and

   c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

The audit for the financial year ended 31 March 2021 was conducted by the Previous Joint Auditors (Deloitte Haskins & Sells LLP and Chaturvedi SK & Fellows) and accordingly reliance has been placed on the Restated consolidated statement of assets and liabilities and the Restated consolidated statements of profit and loss (including other comprehensive income), statements of changes in equity and cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information (the '**2021 Restated Consolidated Financial Information**') examined by them for the said year. The examination report included for the said year is based solely on the report submitted by the Previous Joint Auditors. They have also confirmed that the 2021 Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended 31 March 2021, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine month period ended 31 December 2023;

b) do not require any adjustments for the matters mentioned in paragraph 6 below and that there is no modification in the underlying audit report; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

6. The audit report issued by the Previous Joint Auditors for the financial years ended 31 March 2021 included the following emphasis of matter paragraph:

For the year ended 31 March 2021

"We draw attention to Note 6 (viii) to the consolidated financial statements in which the Group describes the continuing uncertainties arising from the COVID 19 pandemic. Our opinion is not modified in respect of this matter."

7. As indicated in our audit reports referred in paragraph 5(a) above:

a. We did not audit the financial statements of one subsidiary whose share of total assets, total revenues, net cash inflows / (outflows) included in the Special Purpose Interim Consolidated Financial Statements as at and for the period ended 31 December 2023 is tabulated below, which have been audited by another auditor, Chaturvedi and Shah LLP, and whose reports have been furnished to us by the Company's management and our opinion on these Special Purpose Interim Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditor:

(Rs in million)

Particulars	**As at/ for the nine-month period ended 31 December 2023**
Total assets	65.0
Total revenues	454.3
Net cash outflow	0.3

8. Based on examination report dated 15 April 2024 provided by Previous Auditor for the nine months period ended 31 December 2022 and for the years ended 31 March 2023 and 31 March 2022, the audit reports on the consolidated financial statements issued by them included following other matters:

   a. We did not audit the financial statements of one subsidiary whose share of total assets, total revenues, net cash inflows / (outflows) included in the special purpose interim consolidated financial statements as at and for the period ended 31 December 2022 and consolidated financial statements for the years ended 31 March 2023 and 31 March 2022 is tabulated below, which have been audited by another auditor, Chaturvedi and Shah LLP, and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditor:

(Rs in million)

Particulars	**As at/ for the nine-month period ended 31 December 2022**	**As at/ for the year ended 31 March 2023**	**As at/ for the year ended 31 March 2022**
Total assets	44.6	47.3	34.7
Total revenues	334.8	511.1	403.0
Net cash inflow/(outflow)	1.6	4.2	(1.0)

9. Based on examination report dated 15 April 2024 provided by the Previous Joint Auditors, the audit report on the consolidated financial statements issued by them included following other matters:

   a. We did not audit financial statements of a subsidiary whose share of total assets, total revenues, net cash inflows / (outflows) included in the Consolidated Financial Statements for the year ended 31 March 2021, is tabulated below, which have been audited by other auditors, Chaturvedi and Shah LLP, and whose reports have been furnished to us by the Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

(Rs in million)

Particulars	**As at/ for the year ended 31 March 2021**
Total assets	30.4
Total revenues	306.3
Net cash inflows/ (outflows)	9.6

Our opinion on the consolidated financial statements is not modified in respect of these matters.

10. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports submitted by the Predecessor Auditors i.e. Previous Auditor and Joint Previous Auditors, for the respective periods/years, we report that the Restated Consolidated Financial Information:

    a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2023, 31 March 2022 and 31 March 2021 and in the nine-month period ended 31 December 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine month period ended 31 December 2023;

    b. do not require any adjustments for the matters mentioned in paragraph 6 above and do not contain any modifications requiring adjustments. However, those qualifications / adverse remarks in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act which do not require any corrective adjustments in the Restated Consolidated Financial Information have been disclosed in Note 2.1 to the Restated Consolidated Financial Information; and

    c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

11. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Interim Consolidated Financial Statements and Audited Consolidated Financial Statements mentioned in paragraph 4 above.

12. 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 the Predecessor Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Stock Exchanges and ROC, in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No:001076N/N500013

Manish Gujral
Partner
Membership No:105117

UDIN:24105117BKDAMR6760

Place: Mumbai
Date: 15 April 2024

For **Kirtane & Pandit LLP**
Chartered Accountants
Firm's Registration No:105215W/W100057

Sandeep D. Welling
Partner
Membership No:044576

UDIN:24044576BKAUAP9238

Place: Mumbai
Date: 15 April 2024

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Restated consolidated statement of assets and liabilities

(₹ in Million)

	Particulars	Note No.	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Assets						
1.	**Financial assets**						
a)	Cash and cash equivalents	4	1,884.7	5,746.7	4,051.4	5,741.7	3,835.0
b)	Other bank balances	4	10,332.8	10,971.6	15,128.6	11,359.9	17,877.8
c)	Receivables	5	258.5	42.1	79.7	51.9	27.2
d)	Housing and other loans	6	1,59,094.5	1,34,092.2	1,38,514.5	1,19,603.4	1,06,132.6
e)	Investments	7	4,706.7	4,173.9	4,594.0	3,380.2	4,970.9
f)	Other financial assets	8	2,607.6	2,565.7	2,588.5	2,453.4	2,153.2
			1,78,884.8	**1,57,592.2**	**1,64,956.7**	**1,42,590.5**	**1,34,996.7**
2.	**Non-financial assets**						
a)	Current tax assets (net)	9	81.2	153.7	88.2	242.2	342.8
b)	Property, plant and equipment	10	282.7	227.2	247.5	208.1	163.9
c)	Right to use assets	35	478.2	382.3	382.8	334.7	354.7
d)	Other intangible assets	11	14.1	4.0	2.9	7.9	12.7
e)	Deferred tax assets (net)	20	3.0	2.1	2.6	2.8	2.8
f)	Other non-financial assets	12	611.7	555.1	498.0	371.9	429.7
			1,470.9	**1,324.4**	**1,222.0**	**1,167.6**	**1,306.6**
	Total assets		**1,80,355.7**	**1,58,916.6**	**1,66,178.7**	**1,43,758.1**	**1,36,303.3**
	Liabilities and equity						
	Liabilities						
1.	**Financial liabilities**						
a)	Trade payables						
i)	Total outstanding dues to micro enterprises and small enterprises		1.4	1.3	3.6	0.8	-
ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	13	847.3	649.5	801.4	509.2	386.8
b)	Debt securities	14	23,417.4	23,594.4	25,421.3	17,642.9	21,403.1
c)	Borrowings (other than debt securities)	15	1,07,245.7	92,870.3	95,427.3	88,189.7	81,104.1
d)	Deposits	16	16.8	35.2	31.2	79.9	405.6
e)	Subordinated liabilities	17	596.0	654.8	654.7	833.4	831.9
f)	Other financial liabilities	18	5,238.5	5,043.6	6,384.7	4,552.0	4,774.9
			1,37,363.1	**1,22,849.1**	**1,28,724.2**	**1,11,807.9**	**1,08,906.4**
2.	**Non-financial liabilities**						
a)	Current tax liabilities (net)	19	1.2	-	-	-	-
b)	Provisions	20	221.2	159.9	174.9	139.0	125.0
c)	Deferred tax liabilities (net)	21	60.5	149.7	94.4	153.1	178.1
d)	Other non-financial liabilities	22	218.1	200.5	208.6	191.2	165.6
			501.0	**510.1**	**477.9**	**483.3**	**468.7**
3.	**Equity**						
a)	Equity share capital	23	3,947.6	3,947.6	3,947.6	3,947.6	3,947.6
b)	Other equity	24	38,544.0	31,609.8	33,029.0	27,519.3	22,980.6
			42,491.6	**35,557.4**	**36,976.6**	**31,466.9**	**26,928.2**
	Total liabilities and equity		**1,80,355.7**	**1,58,916.6**	**1,66,178.7**	**1,43,758.1**	**1,36,303.3**

The accompanying notes form an integral part of the restated consolidated financial information

In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**
Chartered Accountants
ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

Manish Gujral
Partner
Membership No.: 105117

Sandeep D Welling
Partner
Membership No.: 044576

Deo Shankar Tripathi
Executive Vice-Chairman
DIN 07153794

Rishi Anand
Managing Director & CEO
DIN 02303503

Place: Mumbai
Date: April 15, 2024

Place: Mumbai
Date: April 15, 2024

Rajesh Viswanathan
Chief Financial Officer

Harshada Pathak
Company Secretary

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Restated consolidated statement of profit and loss

(₹ in Million)

Particulars	Note No.	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
1 Income						
Revenue from operations	25					
a) Interest income		16,733.2	12,995.5	17,762.8	15,382.9	14,269.4
b) Fees and commission Income		1,229.0	740.6	1,047.3	735.6	758.0
c) Net gain on fair value changes		149.3	244.0	317.9	234.6	87.8
d) Net gain on derecognition of financial instruments under amortised cost category		838.7	897.9	1,304.3	929.6	638.1
Total revenue from operations		18,950.2	14,878.0	20,432.3	17,282.7	15,753.3
Other income	26	1.5	4.1	2.9	2.9	2.2
Total income		**18,951.7**	**14,882.1**	**20,435.2**	**17,285.6**	**15,755.5**
2 Expenses						
Finance costs	27	7,248.1	5,857.3	7,991.9	7,612.0	8,159.7
Impairment on financial instruments	28	453.7	552.8	492.1	487.1	549.4
Employees benefits expense	29	2,900.2	2,274.8	3,220.1	2,481.9	1,888.1
Depreciation and amortisation expense	10&11&35	152.2	120.8	164.9	132.5	111.9
Other expenses	30	1,187.7	913.8	1,358.0	898.5	721.3
Total expenses		**11,941.9**	**9,719.5**	**13,227.0**	**11,612.0**	**11,430.4**
3 Profit before tax and exceptional items		**7,009.8**	**5,162.6**	**7,208.2**	**5,673.6**	**4,325.1**
4 Exceptional item	46	-	-	250.0	-	-
5 Profit before tax		**7,009.8**	**5,162.6**	**6,958.2**	**5,673.6**	**4,325.1**
6 Tax expense	31					
Current tax		1,571.8	1,127.3	1,571.1	1,254.5	934.6
Short/(Excess) Provision of Income Tax for earlier years		(5.6)	-	-	-	-
Deferred tax charge / (credit)		(35.2)	(5.3)	(60.5)	(29.4)	(10.8)
		1,531.0	**1,122.0**	**1,510.6**	**1,225.1**	**923.8**
7 Profit for the period		**5,478.8**	**4,040.6**	**5,447.6**	**4,448.5**	**3,401.3**
8 Other comprehensive income (OCI)						
Items that will not be reclassified to profit or loss						
i Remeasurements of the defined employee benefit plans		3.5	10.3	7.8	17.9	4.6
ii Income tax relating to items that will not be reclassified to profit or loss		(0.9)	(2.6)	(2.0)	(4.4)	(1.3)
Total other comprehensive income for the period (i + ii)		**2.6**	**7.7**	**5.8**	**13.5**	**3.3**
9 Total comprehensive income		**5,481.4**	**4,048.3**	**5,453.4**	**4,462.0**	**3,404.6**
10 Earnings per equity share	32					
Basic earnings per equity share (₹) *		13.9	10.2	13.8	11.3	8.6
Diluted earnings per equity share (₹) *		13.5	9.9	13.4	10.9	8.4

*not annualised for the nine months ended December 31, 2023 and December 31, 2022

The accompanying notes form an integral part of the restated consolidated financial information
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**
Chartered Accountants
ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

Manish Gujral
Partner
Membership No.: 105117

Sandeep D Welling
Partner
Membership No.: 044576

Deo Shankar Tripathi
Executive Vice-Chairman
DIN 07153794

Rishi Anand
Managing Director & CEO
DIN 02303503

Place: Mumbai
Date: April 15, 2024

Place: Mumbai
Date: April 15, 2024

Rajesh Viswanathan
Chief Financial Officer

Harshada Pathak
Company Secretary

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Restated consolidated statement of cash flows

(₹ in Million)

	Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	**Cash flow from operating activities**					
	Profit before tax	7,009.8	5,162.6	6,958.2	5,673.6	4,325.1
	Adjustments for:					
	Depreciation and amortisation expense	152.2	120.8	164.9	132.5	111.9
	(Profit) / Loss on sale of fixed assets (net)	2.3	(0.6)	(2.9)	1.7	2.6
	Interest on lease liabilities	30.8	26.1	35.0	29.5	21.1
	Gain on modification in lease	-	-	-	-	(0.2)
	Impairment on financial instruments & loss on sale of asset held for sale	453.7	552.8	492.1	487.1	550.6
	Profit on sale of investment in mutual fund and other investments	(149.3)	(244.0)	(317.9)	(234.6)	(87.8)
	Provision for employee share based payments	33.6	42.2	56.3	76.7	61.2
	Operating profit before working capital changes	**7,533.1**	**5,659.9**	**7,385.7**	**6,166.5**	**4,984.5**
	Adjustments for:					
	Increase /(decrease) in other financial and non-financial liabilities and provisions	(1,129.8)	588.7	2,106.8	106.9	1,838.4
	Decrease / (increase) in trade receivables	(178.8)	9.8	(27.8)	(24.7)	13.6
	Decrease / /(increase) in other financial and non-financial assets	(479.9)	(374.2)	(325.8)	(1,237.0)	(318.7)
	Cash generated from operations during the period	**5,744.6**	**5,884.2**	**9,138.9**	**5,011.7**	**6,517.8**
	Tax (paid) / refund	(1,558.0)	(1,039.6)	(1,417.1)	(1,153.9)	(998.7)
	Net cash flow generated from operations before movement in housing and other loans	**4,186.6**	**4,844.6**	**7,721.8**	**3,857.8**	**5,519.1**
	Housing and other property loans disbursed	(49,040.6)	(39,453.6)	(59,026.1)	(39,919.3)	(35,447.1)
	Proceeds from assignment of portfolio	11,307.0	8,166.9	12,624.0	7,721.2	5,778.7
	Housing and other property loans repayments	16,964.8	16,376.4	27,123.4	19,272.8	12,126.4
	Net cash used in operating activities [A]	**(16,582.2)**	**(10,065.7)**	**(11,556.9)**	**(9,067.5)**	**(12,022.9)**
B.	**Cash flow from investing activities**					
	Proceeds received on sale / redemption of investments	37,792.4	68,932.5	83,079.9	67,056.3	20,537.4
	Payment towards purchase of investments	(37,668.8)	(69,482.3)	(83,975.8)	(65,231.0)	(25,180.0)
	Investment in fixed deposits (net of maturities)	4,795.8	388.3	(3,768.7)	6,517.9	(111.4)
	Payment towards purchase of fixed assets	(113.7)	(67.4)	(104.4)	(118.1)	(51.2)
	Proceeds received on sale of fixed assets	-	0.9	3.7	0.6	0.4
	Net cash generated from / (used in) investing activities [B]	**4,805.7**	**(228.0)**	**(4,765.3)**	**8,225.7**	**(4,804.8)**
C.	**Cash flow from financing activities**					
	Proceeds on issue of equity shares	-	-	-	-	0.2
	Expenses related to allotment of equity shares	(4.8)	(50.2)	(58.7)	(37.8)	(170.5)
	Proceeds from loans from banks/institutions/NHB	28,215.3	18,640.0	29,850.0	34,150.0	27,859.7
	Proceeds from non-convertible debentures	8,750.0	7,020.0	9,170.0	4,190.0	8,150.0
	Repayment of loans to banks/institutions/NHB	(16,418.6)	(13,977.6)	(22,637.1)	(27,130.3)	(24,621.1)
	Repayment of non-convertible debentures	(10,822.7)	(1,205.0)	(1,530.0)	(8,001.9)	(3,858.3)
	Repayment of deposits	(13.5)	(51.1)	(56.5)	(336.9)	(280.9)
	Payment of lease liabilities	(95.9)	(77.4)	(105.8)	(84.6)	(65.2)
	Net cash generated from financing activities [C]	**9,609.8**	**10,298.7**	**14,631.9**	**2,748.5**	**7,013.9**
	Net (decrease) / increase in cash and cash equivalents [A+B+C]	**(2,166.7)**	**5.0**	**(1,690.3)**	**1,906.7**	**(9,813.8)**
	Cash and cash equivalents at the beginning of the period	**4,051.4**	**5,741.7**	**5,741.7**	**3,835.0**	**13,648.8**
	Cash and cash equivalents at the end of the period (refer note 4)	**1,884.7**	**5,746.7**	**4,051.4**	**5,741.7**	**3,835.0**

The accompanying notes form an integral part of the restated consolidated financial information
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

For **Kirtane & Pandit LLP**
Chartered Accountants
ICAI Firm Registration No: 105215W/W100057

For and on behalf of the Board of Directors

Manish Gujral
Partner
Membership No.: 105117

Sandeep D Welling
Partner
Membership No.: 044576

Deo Shankar Tripathi
Executive Vice-Chairman
DIN 07153794

Rishi Anand
Managing Director & CEO
DIN 02303503

Place: Mumbai
Date: April 15, 2024

Place: Mumbai
Date: April 15, 2024

Rajesh Viswanathan
Chief Financial Officer

Harshada Pathak
Company Secretary

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Restated consolidated statement of changes in equity

a) Equity share capital

Particulars	**(₹ in Million)**
Balance as at April 1, 2020	**394.6**
Changes in equity share capital during the year	
Share issued on ESOP / ESARs Allotment	0.2
Bonus Share issued	3,552.8
Balance as at March 31, 2021	**3,947.6**
Balance as at April 1, 2021	**3,947.6**
Changes in equity share capital during the year	
Changes in equity share capital during the period	-
Balance as at March 31, 2022	**3,947.6**
Balance as at April 1, 2022	**3,947.6**
Changes in equity share capital during the period	-
Balance as at December 31, 2022	**3,947.6**
Balance as at April 1, 2022	**3,947.6**
Changes in equity share capital during the period	-
Balance as at March 31, 2023	**3,947.6**
Balance as at April 1, 2023	**3,947.6**
Changes in equity share capital during the period	-
Balance as at December 31, 2023	**3,947.6**

b) Other equity

(₹ in Million)

Particulars	**Capital reserve on amalgamation**	**Securities premium**	**Statutory reserve**	**Debenture redemption reserve**	**General reserve**	**Employees stock option outstanding**	**Retained earnings**	**Total**
Balance as at April 1, 2020	**0.6**	**16,933.5**	**1,926.4**	**1,691.0**	**726.7**	**11.4**	**1,789.1**	**23,078.7**
Profit for the year	-	-	-	-	-	-	3,401.3	3,401.3
Other comprehensive income	-	-	-	-	-	-	3.3	3.3
Transfer of securities premium on exercise of ESOPs / ESARs	-	0.4	-	-	-	(0.4)	-	-
Utilisation of securities premium on allotment of bonus Shares	-	(3,552.8)	-	-	-	-	-	(3,552.8)
Expenses on allotment of bonus shares	-	(11.1)	-	-	-	-	-	(11.1)
Transferred to general reserve	-	-	-	-	200.2	(0.2)	(200.0)	-
Transferred to statutory reserve	-	-	682.7	-	-	-	(682.7)	-
Employee stock option outstanding	-	-	-	-	-	61.2	-	61.2
Balance as at March 31, 2021	**0.6**	**13,370.0**	**2,609.1**	**1,691.0**	**926.9**	**72.0**	**4,311.0**	**22,980.6**
Balance as at April 1, 2021	**0.6**	**13,370.0**	**2,609.1**	**1,691.0**	**926.9**	**72.0**	**4,311.0**	**22,980.6**
Profit for the period	-	-	-	-	-	-	4,448.5	4,448.5
Other comprehensive income	-	-	-	-	-	-	13.5	13.5
Transferred to general reserve	-	-	-	-	435.0	-	(435.0)	-
Transferred to statutory reserve	-	-	890.4	-	-	-	(890.4)	-
Employee stock option outstanding	-	-	-	-	-	76.7	-	76.7
Balance as at March 31, 2022	**0.6**	**13,370.0**	**3,499.5**	**1,691.0**	**1,361.9**	**148.7**	**7,447.6**	**27,519.3**
Balance as at April 1, 2022	**0.6**	**13,370.0**	**3,499.5**	**1,691.0**	**1,361.9**	**148.7**	**7,447.6**	**27,519.3**
Profit for the period	-	-	-	-	-	-	4,040.6	4,040.6
Other comprehensive income	-	-	-	-	-	-	7.7	7.7
Employee stock option outstanding	-	-	-	-	-	42.2	-	42.2
Balance as at December 31, 2022	**0.6**	**13,370.0**	**3,499.5**	**1,691.0**	**1,361.9**	**190.9**	**11,495.9**	**31,609.8**
Balance as at April 1, 2022	**0.6**	**13,370.0**	**3,499.5**	**1,691.0**	**1,361.9**	**148.7**	**7,447.6**	**27,519.3**
Profit for the period	-	-	-	-	-	-	5,447.6	5,447.6
Other comprehensive income	-	-	-	-	-	-	5.8	5.8
Transferred to general reserve	-	-	-	-	545.0	-	(545.0)	-
Transferred to statutory reserve	-	-	1,090.0	-	-	-	(1,090.0)	-
Employee stock option outstanding	-	-	-	-	-	56.3	-	56.3
Balance as at March 31, 2023	**0.6**	**13,370.0**	**4,589.5**	**1,691.0**	**1,906.9**	**205.0**	**11,266.0**	**33,029.0**
Balance as at April 1, 2023	**0.6**	**13,370.0**	**4,589.5**	**1,691.0**	**1,906.9**	**205.0**	**11,266.0**	**33,029.0**
Profit for the period	-	-	-	-	-	-	5,478.8	5,478.8
Other comprehensive income	-	-	-	-	-	-	2.6	2.6
Employee stock option outstanding	-	-	-	-	-	33.6	-	33.6
Balance as at December 31, 2023	**0.6**	**13,370.0**	**4,589.5**	**1,691.0**	**1,906.9**	**238.6**	**16,747.4**	**38,544.0**

Retained earnings includes remeasurement of defined benefit plans accumulated loss (net of tax) of ₹ 0.9 Million as at December 31, 2023, ₹ 1.6 Million as at December 31, 2022, ₹ 3.5 Million as at March 31, 2023, ₹ 9.3 Million as at March 31, 2022 and ₹ 22.8 Million as at March 31, 2021.

The accompanying notes form an integral part of the restated consolidated financial information
In terms of our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
ICAI Firm Registration No: 001076N/N500013

Manish Gujral
Partner
Membership No.: 105117

Place: Mumbai
Date: April 15, 2024

For **Kirtane & Pandit LLP**
Chartered Accountants
ICAI Firm Registration No: 105215W/W100057

Sandeep D Welling
Partner
Membership No.: 044576

Place: Mumbai
Date: April 15, 2024

For and on behalf of the Board of Directors

Deo Shankar Tripathi
Executive Vice-Chairman
DIN 07153794

Rishi Anand
Managing Director & CEO
DIN 02303503

Rajesh Viswanathan
Chief Financial Officer

Harshada Pathak
Company Secretary

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Summary of Material accounting policies and other explanatory information

1. Corporate information

Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited) (the "Parent Company") was incorporated in India in the name of Vysya Bank Housing Finance Limited ("VBHFL") on 26 November, 1990. The Parent Company has one subsidiary, Aadhar Sales and Services Private Limited, which is incorporated in India (the Parent Company and the subsidiary collectively referred to as "the Group" or "the "Company"). VBHFL was taken over by Dewan Housing Finance Corporation Limited in 2003 and renamed as DHFL Vysya Housing Finance Limited ("DVHFL"). The erstwhile Aadhar Housing Finance Limited which was established in 2010 and commenced operation in February, 2011 was merged into DVHFL on 20 November, 2017 and renamed as Aadhar Housing Finance Limited on 04 December, 2017 with permission of National Housing Bank ("NHB") and Registrar of Companies ("ROC"). The Company is carrying business of providing loans to customers including individuals, companies, corporations, societies or association of persons for purchase / construction / repair and renovation of residential property, loans against property and provide other property related services. The Parent Company is registered with National Housing Bank under section 29A of the National Housing Bank Act, 1987. The Parent Company is a subsidiary of BCP Topco VII Pte. Ltd. ("Holding Company").

During the year ended March 31, 2020, Wadhawan Global Capital Ltd and Dewan Housing Finance Corporation Limited, along with promoter shareholders and International Finance Corporation (collectively "sellers") transferred their entire shareholding to BCP Topco VII Pte. Ltd., which is held through intermediary companies by private equity funds managed by wholly owned subsidiaries of The Blackstone Group L.P. (collectively "Blackstone").

The Company's Restated consolidated financial information for the nine months ended December 31, 2023 and December 31, 2022 and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 are approved for issue in accordance with a resolution of the directors on April 15, 2024.

2. Material Accounting Policies

2.1 Basis of Preparation and Presentation

The Restated Consolidated Financial Information of the Company and its subsidiary Aadhar Sales and Services Private Limited (together known as the "Group") comprise of the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Consolidated statement of profit and loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of changes in equity for the nine months ended December 31, 2023, December 30, 2022 and for the years ended March 31, 2023, March 31, 2022, and March 31, 2021, and the Summary of Material Accounting Policies and other explanatory notes and notes to restated consolidated financial information (collectively, the 'Restated Consolidated Financial Information'). These restated consolidated financial information have been prepared by the management of the Company which is to be included in the Updated Draft Red Herring Prospectus ("UDRHP"), Red Hearring Prospectus ("RHP") and the Prospectus (the RHP and the Prospectus, collectively referred to as the "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer ("IPO") in terms of the requirements of:

- **(a)** Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
- **(b)** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
- **(c)** The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

These Restated Consolidated Financial Information have been compiled by the Management from:

a. audited special purpose interim consolidated financial statements of the Group as at and for the nine months ended December 31, 2023 and December 31, 2022 prepared in accordance with the recognition and measurement principles of Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with Companies (Indian Accounting Standards) Rules 2015 as amended and other accounting principles generally accepted in India except for compliance with disclosure and presentation requirements as specified under Ind AS, Schedule III - Division III of the Act and as prescribed by Reserve Bank of India (the "RBI") and National Housing Bank (the "NHB") from time to time to the extent applicable (together, the "Special Purpose Interim Consolidated Financial Statements"), which have been approved by the Board of directors of the Company at their meetings held on April 15, 2024 and April 15, 2024 respectively; and

b. audited consolidated Ind AS financial statements of the Group as at and for the year ended March 31, 2023, 2022 and 2021 prepared in accordance with Ind AS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors of the Company at their meetings held on May 16, 2023, May 16, 2022 and May 06, 2021 respectively.

The Company follows historical cost convention and accrual method of accounting in the preparation of the financial statements, except otherwise stated.

The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Statements and are consistent with those adopted in the preparation of financial statements for the nine months ended December 31, 2023. These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited Consolidated Financial Statements mentioned above.

The Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2023, 2022 and 2021 and for the nine months ended December 31, 2022 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the nine months ended December 31, 2023.

b) do not require any adjustment for modification as there is no modification in the underlying audit reports.

   i. The auditor's report dated May 06, 2021 on the Consolidated Financial Statements as at and for the year ended March 31, 2021 includes the following Emphasis of Matter paragraph and it do not require any adjustment to the Restated Consolidated Financial Information:
   "We draw attention to Note 6 (viii) to the Consolidated financial statements in which the Group describes the continuing uncertainties arising from the COVID 19 pandemic.
   Our opinion is not modified in respect of this matter."

   ii. The auditor's report dated May 16, 2023 and May 16, 2022 on the Consolidated Financial Statements as at and for the year ended March 31, 2023 and the Standalone Financial Statements as at and for the year ended March 31, 2022, respectively, include the below qualifications / adverse remarks in the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act which do not require any corrective adjustments in the Restated Consolidated Financial Information.

For the year ended 31 March 2023

S No	Name	Clause of the CARO report which is qualified or adverse
1	Aadhar Housing Finance Limited, Holding Company	**Clause i(c)** The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly

S No	**Name**	**Clause of the CARO report which is qualified or adverse**
		executed in favour of the lessee) disclosed in note 10 to the standalone financial statements are held in the name of the Company, except for the following properties:

Description of property	**Gross carrying value (INR Lakhs)**	**Held in name of**	**Whether promoter, director or their relative or employee**	**Period held**	**Reason for not being held in name of company**
Land: Plot no.11, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	20	DHFL Vysya Housing Finance Limited	No	Since 20 November 2017	The title deeds are in the name of DHFL Vysya Housing Finance Limited, currently known as Aadhar Housing Finance Limited. The Company was merged under Section 230 to 232 of the Companies Act, 2013.
Land: Plot no 14, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	7	Erstwhile Aadhar Housing Finance Limited	No	Since 20 November 2017	The title deeds are in the name of erstwhile Aadhar Housing Finance Limited that was merged with the Company under Section

S No	Name	Clause of the CARO report which is qualified or adverse

Building: Unit No. 5, Row 07, 2013. Block B, Garden City, Coimbatore	13	Erstwhile Aadhar Housing Finance Limited	No	Since 20 November 2017	230 to 232 of the Companies Act 2013.

Clause iii(c)

The Company is a Housing Finance Company ('HFC'), registered under provisions of the National Housing Bank Act, 1987 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular, except for the following instances:

Particulars – days past due	Total Amount due (₹ in Lakhs)	No. of cases
1-29 days	29,000	5,075
30-59 days	29,889	4,946
60-89 days	6,339	872
90 days or more	16,259	2,835
Total	**81,487**	**13,728**

Clause iii(d)

The total amount which is overdue for more than 90 days as at 31 March 2023 in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties is as follows:

Particulars	Amount (₹ in Lakhs)	No. of Cases	Remarks, if any
Principal	16,259	2,835	None

Clause vii(a)

In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became

<table>
<tr><th>S No</th><th>Name</th><th>Clause of the CARO report which is qualified or adverse</th></tr>
<tr><td></td><td></td><td>payable.

Clause vii(b)

According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

<table>
<tr><th>Name of the statute</th><th>Nature of dues</th><th>Gross Amount (₹ in Lakhs)</th><th>Amount paid under Protest (₹ in Lakhs)</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax</td><td>4.46</td><td>4.46</td><td>AY 17-18</td><td>Commissioner of Income Tax (Appeals)</td></tr>
<tr><td>Finance Act, 1994</td><td>Service Tax</td><td>17.62</td><td>-</td><td>October 2016 to June 2017</td><td>Show cause cum demand notice</td></tr>
<tr><td>GST Act, 2017</td><td>GST</td><td>145.86</td><td>5.52</td><td>FY 19-20</td><td>Appellate Tribunal</td></tr>
</table>
</td></tr>
<tr><td>2</td><td>Aadhar Sales Services Private Limited, Subsidiary Company</td><td>Clause vii(a)

In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including, Goods and Service Tax, income tax, duty of customs, cess and other material statutory dues where applicable, to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, income tax, duty of customs, cess and other material statutory dues in arrears in respect as at March 31, 2023 for a period of more than six months from the date they became payable, except Profession tax of Rs. 2.63 lakh and Employees provident fund Rs. 1.02 lakh.</td></tr>
</table>

For the year ended 31 March 2022

S No	Name of entity	Clause of the CARO report which is qualified or adverse
1	Aadhar Housing Finance Limited, Holding Company	**Clause i(c)** The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed standalone financial statements are held in the name of the Company, except for the following properties:

S No	Name of entity	Clause of the CARO report which is qualified or adverse

Description of property	Gross carrying value (INR Lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Land: Plot no.11, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	20	DHFL Vysya Housing Finance Limited	No	Since 20 November 2017	The title deeds are in the name of DHFL Vysya Housing Finance Limited, currently known as Aadhar Housing Finance Limited. The Company was merged under Section 230 to 232 of the Companies Act, 2013.
Land: Plot no 14, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District,	7	Erstwhile Aadhar Housing Finance Limited	No	Since 20 November 2017	The title deeds are in the name of erstwhile Aadhar Housing Finance Limited that was merged with the Company under Section 230 to 232 of

S No	Name of entity	Clause of the CARO report which is qualified or adverse

Tamil Nadu					the Companies Act 2013.
Building: Unit No. 5, Row 07, 2013. Block B, Garden City, Coimbatore	13	Erstwhile Aadhar Housing Finance Limited	No	Since 20 November 2017	

Clause iii(c)

The Company is a Housing Finance Company ('HFC'), registered under provisions of the National Housing Bank Act, 1987 and rules made thereunder and is regulated by various regulations, circulars and norms issued by the Reserve Bank of India including Master Circular – Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances. In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular, except for certain instances as below:

Particulars – days past due	**Total Amount due (₹ in Lakhs)**	**No. of cases**
1-29 days	29,673	5,090
30-59 days	19,110	3,455
60-89 days	6,748	1,127
90 days or more	18,257	3,028
Total	**73,788**	**12,700**

Clause iii(d)

Based on our audit procedures and the information and explanation made available to us, in case where overdue amount is outstanding for more than 90 days in case of loans given in the course of the business operations of the Company, reasonable steps, as per its policy and procedures, have been taken by the Company for recovery of the principal and interest. The total amount which is overdue for more than 90 days as at 31 March 2022 in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties is as follows:

Particulars	**Amount (₹ in Lakhs)**	**No. of Cases**	**Remarks, if any**
Principal	18,257	3,028	None

Clause vii(a)

In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund,

<table>
<tr><th>S No</th><th>Name of entity</th><th>Clause of the CARO report which is qualified or adverse</th></tr>
<tr><td></td><td></td><td>
employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though profession tax have not generally been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
Clause vii(b)
According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:
<table>
<tr><th>Name of the statute</th><th>Nature of dues</th><th>Gross Amount (₹ in Lakhs)</th><th>Amount paid under Protest (₹ in Lakhs)</th><th>Period to which the amount relates</th><th>Forum where dispute is pending</th></tr>
<tr><td>Income Tax Act, 1961</td><td>Income Tax</td><td>4.46</td><td>4.46</td><td>AY 17-18</td><td>Commissioner of Income Tax (Appeals)</td></tr>
<tr><td>Finance Act, 1994</td><td>Service Tax</td><td>19.96</td><td>-</td><td>October 2016 to June 2017</td><td>Show cause cum demand notice</td></tr>
</table>
</td></tr>
</table>

2.2 Going Concern

These restated consolidated financial statements have been prepared on a going concern basis.

2.3 Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The restated consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The measurement and/ or disclosure in these restated consolidated financial statements has been accordingly determined except for share based payment transactions, leasing transactions and certain other transactions that are required to be valued in accordance with Ind AS 102, Ind AS 116 and Ind AS 36, respectively.

2.4 Basis of Consolidation

The Group consolidates all entities which are controlled by it.

The Group establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.
Entities controlled by the Group are consolidated from the date control commences until the date control ceases.

All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Parent Company.

Details of companies consolidated in these consolidated financial statements

Name of the Company	**Type**	**Country of Incorporation**	**Holding As at December 31, 2023, December 31, 2022, March 31, 2023, March 31, 2022 and March 31, 2021**
Aadhar Housing Finance Limited	Parent Company	India	Parent Company
Aadhar Sales and Services Private Limited	Subsidiary Company	India	100%

2.5 Presentation of financial statements

Amounts in the restated consolidated financial statements are presented in Indian Rupees in Million (unless otherwise stated). Per share data is presented in Indian Rupee.

2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

a. Interest income

The main source of revenue for the Group is Income from Housing and Other property loans. Repayment of housing and property loan is by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. EMIs generally commence once the loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest basis in terms of the financing scheme opted by the borrower.

Interest income on housing and property loans and other financial instruments carried at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ("EIR") applicable.

The EIR considers all fees, charges, transaction costs, and other premiums or discounts that are incremental and directly attributable to the specific financial instrument at the time of its origination. The financial assets that are classified at fair value through statement of profit and loss ("FVTPL"), transaction costs are recognised in statement of profit and loss at initial recognition.

The interest income on non-credit impaired financial assets is calculated by applying the EIR to the gross carrying amount (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). Interest income on credit-impaired financial assets is calculated on net carrying value (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)).

b. Fee and commission income:

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

c. Dividend income

Dividend income is recognised when the Group's right to receive dividend is established by the reporting date.

d. Investment income

The gains/losses on sale of investments are recognised in the statement of profit and loss on trade date. Gain or loss on sale of investments is determined on the basis of weighted average cost.

e. Other operating revenue:

Prepayment charges, delayed payment interest and other such incomes where recovery is uncertain are recognised on receipt basis.

2.7 Property, plant and equipment and Intangible Assets

Property plant and equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at cost less accumulated depreciation/ amortization and impairment losses, if any. The cost of PPE is its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the PPE ready for its intended use, other incidental expenses and interest on borrowing attributable to acquisition of qualifying PPE upto the date the asset is ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

PPEs not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using straight line method so as to write off the cost of the assets (other than freehold land which is not depreciated) less their residual values over their useful lives specified in Schedule II to the Act, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Estimated useful life considered by the Group are:

Asset	**Estimated Useful Life**
Office Equipment and Computers	5 – 10 Years
Furniture and fittings	10 Years
Vehicles	8 Years
Leasehold improvements	Lease Period
Buildings	60 Years

Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life of 3 years. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the asset's revised carrying amount over its remaining useful life.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss when the asset is derecognised.

Impairment of assets

As at the end of each financial period, the Group reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the statement of profit and loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss was recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

2.8 Employee benefits

i. Defined contribution plan

The contribution to provident fund, pension fund, National Pension Scheme and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the statement of profit and loss based on the amount of contribution required to be made as and when services are rendered by the employees.

ii. Defined benefits plan

The Group's gratuity liability under the Payment of Gratuity Act, 1972 is determined on the basis of actuarial valuation made at the end of each period using the projected unit credit method.

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.
The calculation of defined benefit obligations is performed periodically by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognition of the asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the period. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

iii. Short-term employee benefits
The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:
(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
(b) in case of non-accumulating compensated absences, when the absences occur.

iv. Other long-term employee benefits
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

v. Share-based payment arrangements
The share appreciation rights / stock options granted to employees pursuant to the Group's Stock appreciation rights scheme / stock options policy are measured at the fair value of the rights at the grant date. The fair value of the rights / options is treated as discount and accounted as employee compensation cost over the vesting period on a straight line basis. The amount recognised as expense in each period is at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within other equity.

2.9 Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

2.10 Financial instruments

Recognition of financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of deposits, borrowings (other than debt securities), debt securities, subordinate liabilities and trade payables.

Initial measurement of financial instruments

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs and revenues that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs and revenues directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of profit and loss.

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the statement of profit and loss on initial recognition (i.e. day 1 profit or loss);
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial assets

Classification of financial assets

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Group may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 - Business Combination applies, in OCI; and
- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

Investment in equity instruments at FVOCI

The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity investments as equity instruments at FVOCI.
The Group has not elected to classify any equity investment at FVOCI.

Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Group's business model for managing the asset.
For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are meeting SPPI test.
For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how financial assets are managed individually and together to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Financial assets at fair value through profit or loss (FVTPL)
Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of profit or loss.

Subsequent measurement of financial assets
All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Group's business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Reclassifications
If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that result in reclassifying the Group's financial assets. During the current reporting period and previous financial year there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made.

Impairment
The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Group measures ECL based on category of loans at a collective level. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Group categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1 - Performing assets with zero to thirty days past due (DPD). Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2 and Stage 3.
- Stage 2 - Under-performing assets having 31 to 90 DPD. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 - Non-performing assets with overdue more than 90 DPD

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Derecognition of financial assets

A financial asset is derecognised only when:

- The Group has transferred the rights to receive cash flows from the financial assets or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

The Group transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in statement of profit and loss.

Write-off

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities shall be recognised in statement of profit and loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

A financial liability is

a) a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or
b) a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or
c) a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' in the statement of profit and loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, balance in current account and Balances with banks in deposits accounts with original maturity of less than 3 months. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.12 Borrowing costs

Interest expenses are calculated using EIR and all other borrowing costs are recognised in the statement of profit and loss when they are incurred.

2.13 Foreign currencies

a. The functional currency and presentation currency of the Group is Indian Rupee. Functional currency of the Group has been determined based on the primary economic environment in which the Group operates considering the currency in which funds are generated, spent and retained.
b. Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the period-end, Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the statement of profit and loss in the period in which they arise except for exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.14 Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.15 Earnings per share

Basic earnings per share has been computed by dividing net income by the weighted average number of shares outstanding during the period. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

2.16 Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred tax. Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the statement of profit and loss except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside profit or loss.

Current tax

The tax currently payable is based on the estimated taxable profit for the complete financial year for each entity of the Group and is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and each entity of the Group intends to settle its current tax assets and liabilities on a net basis.

2.17 Special reserve

The Parent Company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.18 Impairment reserve

As per the RBI Circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13 March, 2020, in the event of the aggregate impairment provision under Ind AS 109 is lower than that required under the Income Recognition, Asset Classification and Provisioning Norms, then the difference shall be appropriated from the Net Profit or loss after tax to a separate “Impairment Reserve”.

2.19 Provisions, contingent liabilities and contingent assets

- Provisions are recognised only when: an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

Contingent assets:

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable..

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

2.20 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.21 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.22 Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Group is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.23 Statement of cash flows

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

3. Critical accounting judgements and key sources of estimation uncertainties

The preparation of the restated consolidated financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the restated consolidated financial statements are prudent and reasonable.

Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Expected credit loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

Summary of Material accounting policies and other explanatory information

The inputs used and process followed by the Group in determining the increase in credit risk have been detailed in Note 38.

EIR

The Group's EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as other fee income/expense that are integral parts of the instrument.

Share-Based Payments

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. The Group measures the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the options on the grant date.
Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.
Further details used for estimating fair value for share-based payment transactions are disclosed in Note 42.
Following abbreviation to be read as :
"ESOP" - Employee Stock Option Plan
"ESAR" - Employee Stock Appreciation Rights

Business model assessment

The Parent Company's business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates, accordingly entire Loan Portfolio is classified at amortised cost.

Notes to restated consolidated financial information

4. Cash and bank balances (₹ in Million)

	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Cash and cash equivalents					
a)	Cash on hand	10.9	11.0	9.7	34.5	109.7
b)	Balances with banks in current accounts	266.8	409.1	698.7	285.3	1,004.3
c)	Balances with banks in deposits accounts with original maturity of less than 3 months (refer note (i) below)	1,607.0	5,326.6	3,343.0	5,421.9	2,721.0
		1,884.7	**5,746.7**	**4,051.4**	**5,741.7**	**3,835.0**
	Other bank balances					
a)	In other deposit accounts					
	- Original maturity of more than three months (refer note (ii) & (iii) below)	10,332.6	10,971.3	15,128.4	11,359.6	17,877.4
b)	Earmarked balances with banks					
	- Unclaimed dividend account	0.2	0.3	0.2	0.3	0.4
		10,332.8	**10,971.6**	**15,128.6**	**11,359.9**	**17,877.8**
	Total	**12,217.5**	**16,718.3**	**19,180.0**	**17,101.6**	**21,712.8**

i) Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

ii) Fixed deposit and other balances with banks earns interest at fixed rate.

iii) Cash and bank balances includes deposits which are under lien including lien towards unutilised bank overdraft :

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Deposits under lien	2,305.3	6,452.3	2,825.1	3,956.5	3,945.0

5. Receivables (₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Trade receivables					
Unsecured, considered good	258.5	42.1	79.7	51.9	27.2
Total	**258.5**	**42.1**	**79.7**	**51.9**	**27.2**

i) Trade receivables include Nil amount due from the related parties for all the above periods.

ii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

iv) Impairment allowance for trade receivable is Nil and therefore related disclosures are not given in the financial statement.

v) Trade receivables ageing schedule

As At December 31, 2023 (₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	256.9	0.7	0.8	0.1	-	258.5

As At December 31, 2022 (₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	38.9	2.7	0.5	-	-	42.1

As At March 31, 2023 (₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	-	79.5	0.1	0.1	-	-	79.7

As At March 31, 2022 (₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1.2	45.5	5.1	0.1	-	-	51.9

As At March 31, 2021 (₹ in Million)

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled Revenue	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	6.2	20.3	0.7	-	-	-	27.2

Note: Date of the transaction considered as due date of payment

6. Housing and other loans (₹ in Million)

	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	At amortised cost					
i)	Housing and other property loans	1,59,657.9	1,34,689.2	1,39,043.4	1,20,069.3	1,07,346.2
ii)	Loans to developers	-	-	-	11.0	18.8
iii)	Loan against fixed deposits	-	-	-	-	1.0
iv)	Interest accrued on above loans	1,605.3	1,325.5	1,332.1	1,241.2	245.0
	Total gross	**1,61,263.2**	**1,36,014.7**	**1,40,375.5**	**1,21,321.5**	**1,07,611.0**
	Less: Impairment loss allowance	2,168.7	1,922.5	1,861.0	1,718.1	1,478.4
	Total net	**1,59,094.5**	**1,34,092.2**	**1,38,514.5**	**1,19,603.4**	**1,06,132.6**

i) All housing and other loans are originated in India.

ii) Loans granted by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or undertaking to create a security and/or assignment of Life Insurance Policies and/or personal guarantees and/or hypothecation of assets and are considered appropriate and good.

iii) The Company has assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date :

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Outstanding balance in pool	38,614.9	30,621.7	32,817.9	27,296.9	25,468.7

The carrying value of these assets have been de-recognised in the books of the Company.

iv) There is no Outstanding loan to Public institution.

Notes to restated consolidated financial information

v) Housing loan and other property loan includes given to employees of the Company under the staff loan :

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Staff Loans	1,690.6	1,079.2	1,252.6	839.4	828.8

vi) The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the financial markets and slowdown in the economic activities. The Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package and in accordance therewith, the Company had provided moratorium on the payment of all principal amounts and/or interest, as applicable, falling due between 1 March 2020 and 31 August 2020 to all eligible borrowers classified as standard. For all such accounts, where the moratorium was granted, the asset classification remained at a standstill during the moratorium period.

The extent to which the COVID-19 pandemic will ultimately impact the Company's results and carrying value of assets will depend on future developments, which are highly uncertain. The Company's impairment loss allowance estimates are subject to a number of management judgments and estimates, which could undergo changes over the entire duration of the pandemic. Given the uncertainty over the potential macro-economic condition and related judicial decisions on matters arising from the regulatory guidelines, the impact of the COVID pandemic on the financial performance may be different from that estimated as at the date of approval of these financial statements. Such changes will be prospectively recognized. The Company continues to closely monitor any anticipated material changes to future economic conditions. The Company have created an additional impairment provision on account of management overlay and One time restructuring.

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Additional provision	698.7	742.4	763.1	853.6	602.2

vii) Assets repossessed under SARFAESI are included in Housing and other loans along with corresponding provisions.

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Amount	433.5	326.1	397.6	307.8	277.5

viii) There were no loans given against the collateral of gold jewellery and hence the percentage of such loans to the total outstanding asset is Nil in all reporting periods.

7. Investments (₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	Number of Units / Shares					Amount				
At amortised cost										
Investments in bonds										
6.54% GOI Bonds 2032 (Face Value of Rs 100 each)	1,25,00,000	1,25,00,000	1,25,00,000	-	-	1,215.5	1,209.2	1,190.0	-	-
6.10% GOI Bonds 2031 (Face Value of Rs 100 each)	2,75,00,000	2,75,00,000	2,75,00,000	1,75,00,000	-	2,737.8	2,729.0	2,688.6	1,742.3	-
6.57% GOI Bonds 2033 (Face Value of Rs 100 each)	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	48.8	48.7	49.5	49.4	49.4
7.26%% GOI Bonds 2032 (Face Value of Rs 100 each)	50,00,000	-	50,00,000	-	-	507.9	-	499.6	-	-
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd (Face Value of Rs 80,000 each as on December 31, 2023)	2,000	2,000	2,000	2,000	2,000	159.1	176.2	154.4	171.3	190.4
						4,669.1	**4,163.1**	**4,582.1**	**1,963.0**	**239.8**
At fair value through profit and loss										
Investments in mutual funds										
ABSL Liquid Fund Direct Growth	-	-	-	2,38,488	-	-	-	-	81.8	-
SBI Liquid Fund Direct Growth	-	-	-	75,810	2,20,963	-	-	-	252.7	711.8
HDFC Liquid Fund Direct Growth	-	-	-	59,814	1,47,714	-	-	-	250.3	597.6
Invesco India Liquid Fund Direct Growth	-	-	2,236	-	1,40,507	-	-	2.5	-	397.1
Axis Liquid Fund - Direct Growth	12,588	3,671	863	1,48,213	3,10,554	15.6	4.3	1.0	350.4	709.6
Mirae Assets Cash Management Liquid Fund Direct Growth	-	-	-	-	1,12,791	-	-	-	-	244.9
ICICI Prudential Liquid Fund - Direct Plan - Growth	16,890	5,365	6,657	9,46,558	23,36,690	21.4	6.3	8.1	298.4	712.1
BNP Paribas Liquid Fund Direct Growth	-	-	-	45,093	35,019	-	-	-	110.6	110.9
Tata Liquid Fund Direct Growth	-	-	-	-	2,31,943	-	-	-	-	753.3
Nippon India Liquid Fund Direct Growth	-	-	-	13,976	98,084	-	-	-	72.8	493.6
						37.0	**10.6**	**11.6**	**1,417.0**	**4,730.9**
Investments in quoted equity instruments										
Reliance Power Limited Equity Shares of Face value of Rs 10 each	222	222	222	222	222	0.0	0.0	0.0	0.0	0.0
IDFC First Bank Limited Equity Shares of Face value of Rs 10 each	2,390	2,390	2,390	2,390	2,390	0.2	0.1	0.1	0.1	0.1
Shamrao Vithal Co-operative Bank Equity Shares of Face value of Rs 10 each	100	-	100	-	-	0.0	-	0.0	-	-
Mangalore Refinery and Petrochemical Limited Equity Shares of Face value of Rs 10 each	3,000	3,000	3,000	3,000	3,000	0.4	0.1	0.2	0.1	0.1
						0.6	**0.2**	**0.3**	**0.2**	**0.2**
Total						**4,706.7**	**4,173.9**	**4,594.0**	**3,380.2**	**4,970.9**

Notes :

i) Amount "0" represent value less than Rs 50,000.

ii) All investments are made within India.

iii) Investment in bonds carry a floating charge in favour of fixed deposits holder read with note no 16 :

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Investment in bonds	159.1	176.2	154.4	171.3	190.4

8. Other financial assets (₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good					
Others					
Receivable from assigned portfolio	2,508.4	2,484.5	2,501.7	2,381.6	2,086.4
Receivable on assigned loans (net of servicing fee)	-	-	-	0.3	1.2
Security deposits	99.2	81.2	86.8	71.5	65.6
Total	**2,607.6**	**2,565.7**	**2,588.5**	**2,453.4**	**2,153.2**

9. Current tax assets (net) (₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Income tax paid in advance (net of provisions)	81.2	153.7	88.2	242.2	342.8
Total	**81.2**	**153.7**	**88.2**	**242.2**	**342.8**

Notes to restated consolidated financial information

10. Property, plant and equipment

(₹ in Million)

Particulars	Freehold Land	Building - Owned	Furniture & Fixture	Office Equipments	Vehicles	Computer	Total
Gross carrying value							
Balance as at April 01, 2020	**2.7**	**1.3**	**115.9**	**75.5**	**2.8**	**107.3**	**305.5**
Additions during the year	-	-	20.2	3.4	-	15.7	39.3
Deduction / adjustments	-	-	(6.1)	(4.3)	-	(1.9)	(12.3)
Balance as at March 31, 2021	**2.7**	**1.3**	**130.0**	**74.6**	**2.8**	**121.1**	**332.5**
Balance as at April 01, 2021	**2.7**	**1.3**	**130.0**	**74.6**	**2.8**	**121.1**	**332.5**
Additions during the year	-	-	38.3	14.0	-	42.5	94.8
Deduction / adjustments	-	-	(8.7)	(2.6)	(0.2)	(2.9)	(14.4)
Balance as at March 31, 2022	**2.7**	**1.3**	**159.6**	**86.0**	**2.6**	**160.7**	**412.9**
Balance as at April 01, 2022	**2.7**	**1.3**	**159.6**	**86.0**	**2.6**	**160.7**	**412.9**
Additions during the year	-	-	31.2	15.4	-	58.5	105.1
Deduction / adjustments	-	-	(6.2)	(4.1)	(0.1)	(23.6)	(34.0)
Balance as at March 31, 2023	**2.7**	**1.3**	**184.6**	**97.3**	**2.5**	**195.6**	**484.0**
Balance as at April 1, 2022	**2.7**	**1.3**	**159.6**	**86.0**	**2.6**	**160.7**	**412.9**
Additions during the period	-	-	15.1	9.8	-	41.0	65.9
Deduction / adjustments	-	-	(4.5)	(3.0)	-	(0.3)	(7.8)
Balance as at December 31, 2022	**2.7**	**1.3**	**168.8**	**90.5**	**2.6**	**192.9**	**471.0**
Balance as at April 01, 2023	**2.7**	**1.3**	**184.6**	**97.3**	**2.5**	**195.6**	**484.0**
Additions during the period	-	-	29.1	14.6	-	54.4	**98.1**
Deduction / adjustments	-	-	(5.5)	(5.6)	-	(17.4)	**(28.5)**
Balance as at December 31, 2023	**2.7**	**1.3**	**208.2**	**106.3**	**2.5**	**232.6**	**553.6**
Accumulated depreciation							
Balance as at April 01, 2020	**-**	**0.2**	**35.9**	**25.9**	**0.4**	**68.0**	**130.4**
Depreciation for the year	-	0.1	14.7	11.0	0.4	21.3	47.5
Deduction / adjustments	-	-	(4.5)	(3.1)	-	(1.7)	(9.3)
Balance as at March 31, 2021	**-**	**0.3**	**46.1**	**33.8**	**0.8**	**87.6**	**168.6**
Balance as at April 01, 2021	**-**	**0.3**	**46.1**	**33.8**	**0.8**	**87.6**	**168.6**
Depreciation for the year	-	0.2	16.1	10.0	0.4	21.8	48.5
Deduction / adjustments	-	-	(7.4)	(2.1)	(0.2)	(2.6)	(12.3)
Balance as at March 31, 2022	**-**	**0.5**	**54.8**	**41.7**	**1.0**	**106.8**	**204.8**
Balance as at April 01, 2022	**-**	**0.5**	**54.8**	**41.7**	**1.0**	**106.8**	**204.8**
Depreciation for the year	-	0.2	18.9	9.8	0.4	33.6	62.9
Deduction / adjustments	-	(0.1)	(4.3)	(2.4)	-	(24.4)	(31.2)
Balance as at March 31, 2023	**-**	**0.6**	**69.4**	**49.1**	**1.4**	**116.0**	**236.5**
Balance as at April 1, 2022	**-**	**0.5**	**54.8**	**41.7**	**1.0**	**106.8**	**204.8**
Depreciation for the period	-	0.2	13.0	7.1	0.3	23.7	44.3
Deduction / adjustments	-	-	(2.9)	(2.1)	-	(0.3)	(5.3)
Balance as at December 31, 2022	**-**	**0.7**	**64.9**	**46.7**	**1.3**	**130.2**	**243.8**
Balance as at April 01, 2023	**-**	**0.6**	**69.4**	**49.1**	**1.4**	**116.0**	**236.5**
Depreciation for the period	-	0.2	15.7	7.4	0.3	36.9	**60.5**
Deduction / adjustments	-	-	(4.2)	(4.7)	-	(17.2)	**(26.1)**
Balance as at December 31, 2023	**-**	**0.8**	**80.9**	**51.8**	**1.7**	**135.7**	**270.9**
Net book value							
As at March 31, 2021	**2.7**	**1.0**	**83.9**	**40.8**	**2.0**	**33.5**	**163.9**
As at March 31, 2022	**2.7**	**0.8**	**104.8**	**44.3**	**1.6**	**53.9**	**208.1**
As at March 31, 2023	**2.7**	**0.7**	**115.2**	**48.2**	**1.1**	**79.6**	**247.5**
As at December 31, 2022	**2.7**	**0.6**	**103.9**	**43.8**	**1.3**	**62.7**	**227.2**
As at December 31, 2023	**2.7**	**0.5**	**127.3**	**54.5**	**0.8**	**96.9**	**282.7**

Title deeds of Immovable Properties not held in name of the Company:-

(₹ in Million)

Particulars of the land and building	Reason for not being held in the name of Company	Gross carrying value				
		As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Plot no.11, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	The title deeds are in the name of DHFL Vysya Housing Finance Limited, currently known as Aadhar Housing Finance Limited. The Company was merged under Section 230 to 232 of the Companies Act, 2013.	2.0	2.0	2.0	2.0	2.0
Plot no 14, Mangala Nagar alias Sri Arunachala Nagar situated in No. 68, Athur Village, Chengalpet Taluk, Kanchipuram District, Tamil Nadu	The title deeds are in the name of erstwhile Aadhar Housing Finance Limited that was merged with the Company under Section 230 to 232 of the Companies Act 2013.	0.7	0.7	0.7	0.7	0.7
Unit No. 5, Row 07, Block B, Garden City, Coimbatore		1.3	1.3	1.3	1.3	1.3

1. In respect of immovable properties of land and buildings that have been taken on lease, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement

2. In None of the title deed mentioned above Promoter , Director, or relative of promoter / director or employee of promoter / director is holder of title deed.

3. All the mentioned properties are held in these names since date of Amalgamation i.e. November 20, 2017.

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Notes to restated consolidated financial information

11. Other intangible assets

(₹ in Million)

Particulars	Amount
Gross carrying value	
Balance as at April 01, 2020	**20.8**
Additions during the year	10.6
Deduction / adjustments	-
Balance as at March 31, 2021	**31.4**
Balance as at April 01, 2021	**31.4**
Additions during the year	2.2
Deduction / adjustments	-
Balance as at March 31, 2022	**33.6**
Balance as at April 01, 2022	**33.6**
Additions during the year	0.1
Deduction / adjustments	-
Balance as at March 31, 2023	**33.7**
Balance as at April 01, 2022	**33.6**
Additions during the period	0.1
Deduction / adjustments	-
Balance as at December 31, 2022	**33.7**
Balance as at April 01, 2023	**33.7**
Additions during the period	15.6
Deduction / adjustments	-
Balance as at December 31, 2023	**49.3**
Accumulated depreciation	
Balance as at April 01, 2020	**11.3**
Depreciation for the year	7.4
Deduction / adjustments	-
Balance as at March 31, 2021	**18.7**
Balance as at April 01, 2021	**18.7**
Depreciation for the year	7.0
Deduction / adjustments	-
Balance as at March 31, 2022	**25.7**
Balance as at April 01, 2022	**25.7**
Depreciation for the year	5.1
Deduction / adjustments	-
Balance as at March 31, 2023	**30.8**
Balance as at April 01, 2022	**25.7**
Depreciation for the period	4.0
Deduction / adjustments	-
Balance as at December 31, 2022	**29.7**
Balance as at April 01, 2023	**30.8**
Depreciation for the period	**4.4**
Deduction / adjustments	**-**
Balance as at December 31, 2023	**35.2**
Net book value	
As at March 31, 2021	**12.7**
As at March 31, 2022	**7.9**
As at March 31, 2023	**2.9**
As at December 31, 2022	**4.0**
As at December 31, 2023	**14.1**

Note: Other Intangible Assets includes Computer Software

Notes to restated consolidated financial information

12. Other non-financial assets

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Asset held for sale	39.6	39.6	39.6	39.6	39.6
Less : Provision for diminution in the value of asset held for sale	(18.5)	(18.5)	(18.5)	(18.5)	(18.5)
	21.1	21.1	21.1	21.1	21.1
Prepaid expenses	123.5	98.3	62.5	43.9	38.7
Capital advance	5.3	5.8	4.6	3.4	3.2
Advance for expenses and other advances	125.3	153.8	126.0	74.7	153.1
Unamortised share issue expenses [Refer Note ii below]	260.7	247.4	255.9	197.2	159.4
Receivable from Government (Ex-gratia) [Refer Note 45]	-	-	-	-	53.8
Balance with government authorities	75.8	28.7	27.9	31.6	0.4
Total	**611.7**	**555.1**	**498.0**	**371.9**	**429.7**

i) Advance for expenses include Nil amount given as advance to the related parties for all the above periods.

ii). The Company has incurred certain expenses towards proposed Initial public offering of equity shares. The company expects to recover certain amounts from the selling shareholders and the balance amount would be charged-off to securities premium account in accordance with Section 52 of the Companies Act, 2013 upon share being issued.

13. Trade payables

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Total outstanding dues to micro enterprises and small enterprises (refer note a & b)	1.4	1.3	3.6	0.8	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note b & c)	847.3	649.5	801.4	509.2	386.8
Total	**848.7**	**650.8**	**805.0**	**510.0**	**386.8**

a) Based on and to the extent of information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors. There are no overdue amounts to Micro, Small and Medium Enterprises (MSME) for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

b) Trade Payables ageing schedule

As At December 31, 2023

(₹ in Million)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	1.4	-	-	-	1.4
Others	840.4	6.1	0.8	-	-	847.3
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

(₹ in Million)

As At December 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	1.3	-	-	-	1.3
Others	624.7	24.3	0.5	-	-	649.5
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

(₹ in Million)

As At March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	3.6	-	-	-	3.6
Others	797.3	3.6	0.5	-	-	801.4
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

(₹ in Million)

As At March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	0.8	-	-	-	0.8
Others	464.2	45.0	-	-	-	509.2
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

(₹ in Million)

As At March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	376.7	9.9	0.2	-	-	386.8
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-

Note: Date of the transaction considered as due date of payment

c) Trade Payables includes due to related parties [Refer Note 44] :

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Dues to related parties	11.5	9.0	11.6	12.0	9.6

14. Debt securities

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
At amortised cost					
Secured					
Redeemable non convertible debentures	23,417.4	23,594.4	25,421.3	17,642.9	21,403.1
Total	**23,417.4**	**23,594.4**	**25,421.3**	**17,642.9**	**21,403.1**

i) All debt securities are issued in India

Notes to restated consolidated financial information

ii) Terms of repayment and rate of interest in case of Debt Securities.

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Secured					
Redeemable non convertible debentures					
Interest Rate	6.90% to 9.80%	6.90% to 9.80%	6.90% to 9.80%	6.90% to 9.80%	7.35% to 9.80%
0-3 Years	17,723.5	13,077.7	17,967.1	15,227.7	19,039.7
3-5 Years	4,882.4	3,361.0	4,684.0	2,236.0	1,922.0
>5 Years	877.5	7,232.4	2,844.9	212.3	526.4
Total	**23,483.4**	**23,671.1**	**25,496.0**	**17,676.0**	**21,488.1**

Maturity profile disclosed above excludes discount and EIR adjustments :

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Discount and EIR	66.0	76.7	74.7	33.1	85.0

List of Redeemable debentures (₹ in Million)

Sr No.	ISIN	Rate of interest	Date of Redemption	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1	INE538L07387	8.99%	25-06-2018	-	-	-	-	-
2	INE538L07387	8.99%	25-06-2018	-	-	-	-	-
3	INE538L07387	8.99%	25-06-2018	-	-	-	-	-
4	INE538L07395	8.97%	29-06-2018	-	-	-	-	-
5	INE538L07437	8.30%	04-02-2019	-	-	-	-	-
6	INE538L07452	8.40%	06-05-2019	-	-	-	-	-
7	INE538L07452	8.40%	06-05-2019	-	-	-	-	-
8	INE538L07452	8.40%	06-05-2019	-	-	-	-	-
9	INE538L07452	8.40%	06-05-2019	-	-	-	-	-
10	INE538L07452	8.40%	06-05-2019	-	-	-	-	-
11	INE538L07452	8.40%	06-05-2019	-	-	-	-	-
12	INE538L07429	8.85%	24-07-2019	-	-	-	-	-
13	INE538L07023	10.25%	09-01-2020	-	-	-	-	-
14	INE538L07023	10.25%	09-01-2020	-	-	-	-	-
15	INE538L07023	10.25%	09-01-2020	-	-	-	-	-
16	INE538L07023	10.25%	09-01-2020	-	-	-	-	-
17	INE538L07023	10.25%	09-01-2020	-	-	-	-	-
18	INE538L07338	9.40%	27-05-2021	-	-	-	-	45.0
19	INE883F07033	9.60%	05-07-2021	-	-	-	-	20.0
20	INE883F07082	9.35%	17-08-2021	-	-	-	-	20.0
21	INE883F07090	9.35%	25-08-2021	-	-	-	-	10.0
22	INE538L07486	9.60%	29-09-2021	-	-	-	-	294.3
23	INE538L07494	9.60%	29-09-2021	-	-	-	-	5,762.7
24	INE538L07353	9.20%	18-10-2021	-	-	-	-	500.0
25	INE883F07108	9.37%	20-10-2021	-	-	-	-	20.0
26	INE883F07116	9.36%	25-10-2021	-	-	-	-	10.0
27	INE883F07132	9.36%	27-10-2021	-	-	-	-	20.0
28	INE538L07361	9.00%	11-11-2021	-	-	-	-	100.0
29	INE538L07064	9.80%	27-03-2022	-	-	-	-	200.0
30	INE538L07072	9.80%	03-06-2022	-	-	-	100.0	100.0
31	INE538L07072	9.80%	03-06-2022	-	-	-	100.0	100.0
32	INE538L07080	9.80%	07-08-2022	-	-	-	80.0	80.0
33	INE538L07080	9.80%	07-08-2022	-	-	-	10.0	10.0
34	INE538L07080	9.80%	07-08-2022	-	-	-	10.0	10.0
35	INE538L07098	9.80%	03-09-2022	-	-	-	100.0	100.0
36	INE538L07106	9.80%	10-09-2022	-	-	-	100.0	100.0
37	INE538L07122	9.70%	04-11-2022	-		-	200.0	200.0
38	INE538L07155	9.60%	28-12-2022	-		-	200.0	200.0
39	INE538L07171	9.60%	07-01-2023	-	200.0	-	200.0	200.0
40	INE538L07296	9.30%	28-04-2023	-	100.0	100.0	100.0	100.0
41	INE538L07296	9.30%	28-04-2023	-	13.0	13.0	13.0	13.0
42	INE883F07017	9.40%	05-05-2023	-	300.0	300.0	300.0	300.0
43	INE538L07304	9.50%	13-05-2023	-	50.0	50.0	50.0	50.0
44	INE883F07165	9.15%	20-06-2023	-	2,000.0	2,000.0	2,000.0	2,000.0
45	INE538L07502#	9.25%	29-09-2023	-	305.1	305.1	305.1	305.1
46	INE538L07510#	9.65%	29-09-2023	-	189.6	189.6	189.6	189.6
47	INE883F07124	9.36%	27-10-2023	-	40.0	40.0	40.0	40.0
48	INE883F07140	9.40%	21-11-2023	-	180.0	180.0	180.0	180.0
49	INE883F07140	9.40%	21-11-2023	-	20.0	20.0	20.0	20.0
50	INE883F07157	9.40%	22-11-2023	-	90.0	90.0	90.0	90.0
51	INE538L07056	9.80%	23-03-2025	250.0	250.0	250.0	250.0	250.0
52	INE538L07163	9.60%	06-01-2026	100.0	100.0	100.0	100.0	100.0
53	INE538L07163	9.60%	06-01-2026	100.0	100.0	100.0	100.0	100.0
54	INE538L07163	9.60%	06-01-2026	100.0	100.0	100.0	100.0	100.0
55	INE538L07189	9.60%	19-01-2026	100.0	100.0	100.0	100.0	100.0
56	INE538L07197	9.60%	19-01-2026	10.0	10.0	10.0	10.0	10.0
57	INE538L07197	9.60%	19-01-2026	17.0	17.0	17.0	17.0	17.0
58	INE538L07205	9.60%	25-01-2026	100.0	100.0	100.0	100.0	100.0
59	INE538L07205	9.60%	25-01-2026	100.0	100.0	100.0	100.0	100.0
60	INE538L07213	9.55%	29-01-2026	50.0	50.0	50.0	50.0	50.0
61	INE538L07213	9.55%	29-01-2026	10.0	10.0	10.0	10.0	10.0
62	INE538L07213	9.55%	29-01-2026	50.0	50.0	50.0	50.0	50.0
63	INE538L07213	9.55%	29-01-2026	10.0	10.0	10.0	10.0	10.0
64	INE538L07221	9.55%	01-03-2026	100.0	100.0	100.0	100.0	100.0
65	INE538L07254	9.55%	22-03-2026	200.0	200.0	200.0	200.0	200.0
66	INE538L07270	9.55%	31-03-2026	100.0	100.0	100.0	100.0	100.0
67	INE538L07270	9.55%	31-03-2026	25.0	25.0	25.0	25.0	25.0
68	INE883F07025	9.40%	05-05-2026	200.0	200.0	200.0	200.0	200.0
69	INE883F07041	9.35%	08-07-2026	20.0	20.0	20.0	20.0	20.0
70	INE883F07058	9.40%	13-07-2026	12.0	12.0	12.0	12.0	12.0
71	INE883F07066	9.28%	18-07-2026	20.0	20.0	20.0	20.0	20.0
72	INE883F07074	9.15%	05-08-2026	12.0	12.0	12.0	12.0	12.0
73	INE538L07379	9.00%	16-11-2026	50.0	50.0	50.0	50.0	50.0
74	INE538L07528#	9.35%	29-09-2028	95.5	95.5	95.5	95.5	95.5
75	INE538L07536#	9.75%	29-09-2028	116.8	116.8	116.8	116.8	116.8
76	INE883F07173	8.00%	05-05-2023	-	2,000.0	2,000.0	2,000.0	2,000.0
77	INE883F07181	8.20%	17-08-2023	-	3,000.0	3,000.0	3,000.0	3,000.0
78	INE883F07199	8.20%	01-09-2023	-	1,650.0	1,650.0	1,650.0	1,650.0
79	INE883F07207	7.35%	28-02-2022	-	-	-	-	1,000.0
80	INE883F07215	8.10%	20-10-2025	500.0	500.0	500.0	500.0	500.0

Notes to restated consolidated financial information

Sr No.	ISIN	Rate of interest	Date of Redemption	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
81	INE883F07223	7.10%	07-10-2024	990.0	990.0	990.0	990.0	-
82	INE883F07231	6.90%	29-10-2024	600.0	1,200.0	1,200.0	1,200.0	-
83	INE883F07249	7.15%	09-12-2026	1,000.0	1,000.0	1,000.0	1,000.0	-
84	INE883F07256	9.55%*	24-02-2026	625.0	875.0	750.0	1,000.0	-
85	INE883F07264	8.59%*	15-06-2029	3,510.0	3,510.0	3,510.0	-	-
86	INE883F07264	8.64%*	15-06-2029	3,510.0	3,510.0	3,510.0	-	-
87	INE883F07298	8.55%*	06-02-2028	900.0	-	1,000.0	-	-
88	INE883F07280	8.55%*	06-01-2028	1,150.0	-	1,150.0	-	-
89	INE883F07306	8.50%	26-05-2026	2,750.0	-	-	-	-
90	INE883F07314	8.50%	17-08-2026	5,000.0	-	-	-	-
91	INE883F07322	8.35%*	31-10-2028	1,000.0				
		Total		**23,483.4**	**23,671.1**	**25,496.0**	**17,676.0**	**21,488.0**

*Floating rate linked to RBI repo
#Publicly issued NCD

iii. The Company has raised funds from Secured Redeemable Non Convertible Debentures (NCDs) as mentioned below :

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Secured redeemable non-convertible debentures (NCDs) issued during the period	8,750.0	7,020.0	9,170.0	4,190.0	8,150.0

Secured redeemable non-convertible debentures (NCDs) are long term and are secured by way of pari passu first charge by way of (present & future obligations) hypothecation on all standard book debts / outstanding moneys current assets / receivables, current assets, cash & bank balances & Investments except for those book debts charged or to be charged in favour of NHB for refinance availed or to be availed from them and the Company has provided Security on specific immovable property on certain series of NCDs private placement (excluding IPO Series). NCDs including current maturities are redeemable at par in various periods.

iv. There has been no deviation in the utilisation of issue proceeds of publically issued secured redeemable non-convertible debentures , from the Objects as stated in the Shelf prospectus document dated September 03, 2018.

15. Borrowings (other than debt securities)

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Secured					
At amortised cost					
Term Loans					
from banks	71,413.9	64,837.2	65,406.7	63,586.0	64,123.2
from National housing bank	35,831.5	28,033.1	30,020.6	23,853.7	16,980.9
Cash credit facilities					
from banks	0.3	-	-	750.0	-
Total	**1,07,245.7**	**92,870.3**	**95,427.3**	**88,189.7**	**81,104.1**

i) All borrowings are issued in India
ii) Terms of repayment and rate of interest in case of borrowings.

(₹ in Million)

	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1.	**Term loan from banks**					
	Interest rate	Floating*	Floating*	Floating*	Floating*	Floating*
	0-3 Years	37,609.3	35,022.7	33,444.2	32,582.1	32,897.2
	3-5 Years	18,422.0	17,609.6	19,744.4	16,806.0	15,390.7
	>5 Years	15,490.8	12,341.3	12,348.0	14,352.5	16,055.8
	Total	**71,522.1**	**64,973.6**	**65,536.6**	**63,740.6**	**64,343.7**
2.	**Term Loan from National housing bank**					
	Interest rate	2.80% to 8.40%	2.94% to 7.30%	2.94% to 7.30%	2.94% to 7.30%	3.00% to 7.50%
	0-3 Years	19,772.3	14,126.9	15,111.0	11,468.8	8,851.3
	3-5 Years	9,761.7	8,540.5	9,098.1	6,569.6	4,118.2
	>5 Years	6,297.5	5,365.7	5,811.5	5,815.3	4,011.4
	Total	**35,831.5**	**28,033.1**	**30,020.6**	**23,853.7**	**16,980.9**

*(Linked with MCLR/Base Rate of respective banks)
Maturity profile disclosed above excludes discount and EIR adjustments :

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Discount and EIR	108.2	136.4	129.9	154.6	220.5

iii) The secured term loans from banks are availed from various scheduled banks. These loans are repayable as per the individual contracted terms in one or more instalments between January 2024 and November 2038. These loans are secured / to be secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable.

iv) Secured term loan from National Housing Bank are repayable as per the contracted terms in one or more instalments between January 2024 and October 2033. These loans from National Housing Bank are secured / to be secured by way of first charge to and in favour of NHB, other banks and NCD holders and jointly ranking pari passu inter-se, on the Company's book debts, housing loans and the whole of the present and future movable and immovable assets wherever situated excluding SLR assets.

v) Cash credit facilities from banks are secured by way of jointly ranking pari passu inter-se charge, along with NHB and NCD holders, on the Company's book debts, housing loans and the whole of the present and future movable assets of the Company as applicable. All cash credit facilities are repayable as per the contracted / rollover term.

16. Deposits

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Deposit					
At amortised cost					
Public deposits	16.8	35.2	31.2	79.9	405.6
Total	**16.8**	**35.2**	**31.2**	**79.9**	**405.6**

The National Housing Bank Directives requires all HFCs, accepting public deposits, to create a floating charge on the statutory liquid assets maintained in favour of the depositors through the mechanism of a Trust Deed. The Company has accordingly appointed SEBI approved Trustee Company as a Trustee for the above by executing a trust deed.

The public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

Notes to restated consolidated financial information

17. Subordinated liabilities

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured					
Redeemable non convertible debentures	596.0	654.8	654.7	833.4	831.9
Total	**596.0**	**654.8**	**654.7**	**833.4**	**831.9**

i) All subordinated liabilities are issued in India

ii) Terms of repayment and rate of interest in case of Subordinated Liabilities.

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1. **Redeemable non convertible debentures**					
Interest Rate	9.75% to 10.00%	9.75% to 10.00%	9.75% - 10.00%	9.75% - 10.00%	9.75% - 10.00%
0-3 Years	600.0	60.0	60.0	240.0	240.0
3-5 Years	-	600.0	600.0	600.0	-
>5 Years	-	-	-	-	600.0
Total	**600.0**	**660.0**	**660.0**	**840.0**	**840.0**

Maturity profile disclosed above excludes discount and EIR adjustments :

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Discount and EIR	4.0	5.2	5.3	6.6	8.1

iii) Unsecured Redeemable Non-Convertible Debentures are subordinated to present and future senior indebtedness of the Company. These Unsecured Redeemable Non-Convertible Debentures qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity at the end of various periods.

18. Other financial liabilities

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Book overdraft	2,313.5	2,772.0	3,590.8	1,962.3	2262.5
Lease liabilities (refer note 35)	497.0	372.9	379.5	305.3	324.1
Accrued employee benefits	385.4	305.2	657.5	364.9	297.9
Interest accrued but not due - Deposits	0.5	0.3	0.4	0.1	15.0
Interest accrued but not due - Others	1,188.1	804.2	839.8	819.8	1,113.5
Amount payable under assignment of receivables	845.1	779.5	908.6	1,083.6	734.7
Unpaid dividend (refer note below)	0.2	0.3	0.3	0.4	0.4
Unpaid matured deposits and interest accrued thereon	8.7	9.2	7.8	15.6	26.8
Total	**5,238.5**	**5,043.6**	**6,384.7**	**4,552.0**	**4,774.9**

The Company has transferred unclaimed dividend to investor education and protection fund under section 124 of the Companies Act, 2013 :

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend transferred to investor education and protection Fund	0.07	0.07	0.07	0.03	0.09

19. Current tax liabilities (net)

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for income tax (net of advance tax)	1.2	-	-	-	-
Total	**1.2**	**-**	**-**	**-**	**-**

20. Provisions

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits					
Provision for compensated absences	104.6	82.2	87.8	75.8	75.7
Provision for gratuity (refer note 41)	116.6	77.7	87.1	63.2	49.3
Total	**221.2**	**159.9**	**174.9**	**139.0**	**125.0**

21. Deferred tax balances

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities (net)					
Deferred tax liabilities	420.7	702.8	648.5	659.5	624.3
Deferred tax assets	360.2	553.1	554.1	506.4	446.2
	60.5	**149.7**	**94.4**	**153.1**	**178.1**
Deferred tax assets (net)					
Deferred tax assets (net)	3.0	2.1	2.6	2.8	2.8
	3.0	**2.1**	**2.6**	**2.8**	**2.8**

Deferred tax assets and liabilities in relation to:

(₹ in Million)

Particulars	As at April 1, 2023	Charged to Profit and Loss	Charged to OCI	As at December 31, 2023
Deferred tax liabilities				
Fair value on amalgamation	39.0	(13.7)	-	25.3
Net gain on derecognition of financial instruments under amortised cost category	609.5	(214.1)	-	395.4
	648.5	**(227.8)**	**-**	**420.7**
Deferred tax assets				
On difference between book balance and tax balance of assets	11.5	(4.0)	-	7.5
On account of impairment on financial instruments	428.0	(150.4)	-	277.6
On account of provision for employee benefits	44.0	(12.5)	-	31.5
Others	73.2	(25.7)	(0.9)	46.6
	556.7	**(192.6)**	**(0.9)**	**363.2**
Net deferred tax (assets)/liabilities	**91.8**	**(35.2)**	**0.9**	**57.5**

Notes to restated consolidated financial information

Particulars	As at April 1, 2022	Charged to Profit and Loss	Charged to OCI	As At December 31, 2022
Deferred tax liabilities				
Fair value on amalgamation	78.0	(38.0)	-	40.0
Net gain on derecognition of financial instruments under amortised cost category	581.5	81.3	-	662.8
	659.5	**43.3**	**-**	**702.8**
Deferred tax assets				
On difference between book balance and tax balance of assets	11.8	(3.3)	-	8.5
On account of impairment on financial instruments	397.9	40.8	-	438.7
On account of provision for employee benefits	32.4	16.9	(2.6)	46.7
Others	67.1	(5.8)	-	61.3
	509.2	**48.6**	**(2.6)**	**555.2**
Net deferred tax (assets)/liabilities	**150.3**	**(5.3)**	**2.6**	**147.6**

(₹ in Million)

Particulars	As at April 1, 2022	Charged to Profit and Loss	Charged to OCI	As at March 31, 2023
Deferred tax liabilities				
Fair value on amalgamation	78.0	(39.0)	-	39.0
Net gain on derecognition of financial instruments under amortised cost category	581.5	28.0	-	609.5
	659.5	**(11.0)**	**-**	**648.5**
Deferred tax assets				
On difference between book balance and tax balance of assets	11.8	(0.3)	-	11.5
On account of impairment on financial instruments	397.9	30.1	-	428.0
On account of provision for employee benefits	32.4	13.6	(2.0)	44.0
Others	67.1	6.1	-	73.2
	509.2	**49.5**	**(2.0)**	**556.7**
Net deferred tax (assets)/liabilities	**150.3**	**(60.5)**	**2.0**	**91.8**

(₹ in Million)

Particulars	As at April 01, 2021	Charged to Profit and Loss	Charged to OCI	As at March 31, 2022
Deferred tax liabilities				
Fair value on amalgamation	117.0	(39.0)	-	78.0
Net gain on derecognition of financial instruments under amortised cost category	507.3	74.2	-	581.5
	624.3	**35.2**	**-**	**659.5**
Deferred tax assets				
On difference between book balance and tax balance of assets	11.3	0.5	-	11.8
On account of impairment on financial instruments	349.3	48.6	-	397.9
On account of provision for employee benefits	30.5	6.3	(4.4)	32.4
Others	57.9	9.2	-	67.1
	449.0	**64.6**	**(4.4)**	**509.2**
Net deferred tax (assets)/liabilities	**175.3**	**(29.4)**	**4.4**	**150.3**

(₹ in Million)

Particulars	As at April 01, 2020	Charged to Profit and Loss	Charged to OCI	As at March 31, 2021
Deferred tax liabilities				
On difference between book balance and tax balance of assets	156.0	(39.0)	-	117.0
Fair value on amalgamation	451.3	56.0	-	507.3
Net gain on derecognition of financial instruments under amortised cost category	**607.3**	**17.0**	**-**	**624.3**
Deferred tax assets				
On difference between book balance and tax balance of assets	8.5	2.8	-	11.3
On account of impairment on financial instruments	297.7	51.6	-	349.3
On account of provision for employee benefits	22.4	9.4	(1.3)	30.5
Others	93.9	(36.0)	-	57.9
	422.5	**27.8**	**(1.3)**	**449.0**
Net deferred tax (assets)/liabilities	**184.8**	**(10.8)**	**1.3**	**175.3**

22. Other non-financial liabilities (₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Advance from Customers	18.6	12.5	25.6	29.8	60.4
Statutory dues	158.2	79.0	94.3	82.2	42.9
Others	41.3	109.0	88.7	79.2	62.3
Total	**218.1**	**200.5**	**208.6**	**191.2**	**165.6**

23. Equity share capital (₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Authorised share capital					
Equity shares of Rs 10 each	5,000.0	5,000.0	5,000.0	5,000.0	5,000.0
Issued share capital					
Equity shares of Rs 10 each	3,947.6	3,947.6	3,947.6	3,947.6	3,947.6
Subscribed and paid up capital					
Equity shares of Rs 10 each	3,947.6	3,947.6	3,947.6	3,947.6	3,947.6
Total	**3,947.6**	**3,947.6**	**3,947.6**	**3,947.6**	**3,947.6**

Number of Shares

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Authorised share capital					
Equity shares of Rs 10 each	50,00,00,000	50,00,00,000	50,00,00,000	50,00,00,000	50,00,00,000
Issued share capital					
Equity shares of Rs 10 each	39,47,54,970	39,47,54,970	39,47,54,970	39,47,54,970	39,47,54,970
Subscribed and paid up capital					
Equity shares of Rs 10 each	39,47,54,970	39,47,54,970	39,47,54,970	39,47,54,970	39,47,54,970

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Equity shares at the beginning of the period	**39,47,54,970**	**39,47,54,970**	**39,47,54,970**	**39,47,54,970**	**3,94,64,898**
Add: Shares issued during the period					
Bonus Issue allotment during the period*	-	-	-	-	35,52,79,473
Preferential Allotment during the period	-	-	-	-	-
Right Issue Allotment during the period	-	-	-	-	-
Allotment under ESOP/ESAR during the period	-	-	-	-	10,599
Equity shares at the end of the period	**39,47,54,970**	**39,47,54,970**	**39,47,54,970**	**39,47,54,970**	**39,47,54,970**

*Includes allotment of 26,100 bonus shares pertaining to existing shareholders holding shares in physical mode, allotment of same is pending on account of conversion of physical shares into demat mode.

Notes to restated consolidated financial information

b) Terms / Rights attached to equity shares
The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders. Dividend declared towards equity shares will be subject to the approval of shareholder in the ensuing Annual General Meeting.

c) The shareholders vide a special resolution have approved bonus issue of 35,52,79,473 equity shares of the Company in the ratio of nine shares of face value of Rs. 10 each for each existing equity share of the face value of Rs. 10 each on January 16, 2021 in extraordinary general meeting (EGM).
d) The Company has not bought back any class of shares.
e) The Company has not allotted any class of shares as fully paid up pursuant to contract without payment being received in cash.
f) The Company has not proposed any dividend in all above mentioned reporting periods.
g) Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	% of total shares at the end of period					Number of shares at the end of period				
BCP Topco VII Pte. Ltd (Holding Company)	98.7%	98.7%	98.7%	98.7%	98.7%	38,96,83,420	38,96,83,420	38,96,83,420	38,96,83,420	38,96,83,420

h) the Authorised share capital of the Company was increased from Rs. 2,200 Million to Rs. 5,000 Million during the year ended March 31, 2021.
i) The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of Rs. 10 each for each existing equity share of the face value of Rs. 10 each on 16th January 2021 in extraordinary general meeting (EGM).
j) Shareholding of Promoters

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	% of total shares at the end of period					Number of shares at the end of period				
BCP Topco VII Pte. Ltd (Holding Company)	98.7%	98.7%	98.7%	98.7%	98.7%	38,96,83,420	38,96,83,420	38,96,83,420	38,96,83,420	38,96,83,420

% Changes in holding during the period

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021*
	% of total shares at the end of period				
BCP Topco VII Pte. Ltd (Holding Company)	-	-	-	-	0.0%
Wadhawan Global Capital Ltd	-	-	-	-	0.0%
Dewan Housing Finance Corporation Ltd	-	-	-	-	0.0%
Smt. Aruna Rajeshkumar Wadhawan	-	-	-	-	0.0%
Shri. Dheeraj Rajeshkumar Wadhawan	-	-	-	-	0.0%
Shri. Kapil Rajeshkumar Wadhawan	-	-	-	-	0.0%

*less than 0.05%

24. Other equity (₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Capital reserve on amalgamation	0.6	0.6	0.6	0.6	0.6
Securities premium	13,370.0	13,370.0	13,370.0	13,370.0	13,370.0
Statutory reserve (Special reserve as per Section 29C of National Housing Bank Act, 1987 and Special reserve as per Section 36(1)(viii) of the Income Tax Act, 1961) (refer note (i) below)	4,589.5	3,499.5	4,589.5	3,499.5	2,609.1
Debenture redemption reserve (refer note (ii) below)	1,691.0	1,691.0	1,691.0	1,691.0	1,691.0
General reserve	1,906.9	1,361.9	1,906.9	1,361.9	926.9
Employee Stock Option Outstanding	238.6	190.9	205.0	148.7	72.0
Retained earnings	16,747.4	11,495.9	11,266.0	7,447.6	4,311.0
Total	**38,544.0**	**31,609.8**	**33,029.0**	**27,519.3**	**22,980.6**

Notes :
i) Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol.Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017.

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the period					
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	70.8	70.8	70.8	70.8	70.8
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	4518.7	3428.7	3,428.7	2,538.3	1,855.6
c) Total	4,589.5	3,499.5	3,499.5	2,609.1	1,926.4
Additions during the period					
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-	-	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-	1,090.0	890.4	682.7
c) Total	-	-	1,090.0	890.4	682.7
Utilised during the period					
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	-	-	-	-	-
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-	-	-	-
c) Total	-	-	-	-	-
Balance at the end of the period					
a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	70.8	70.8	70.8	70.8	70.8
b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	4518.7	3,428.7	4,518.7	3,428.7	2,538.3
c) Total	4,589.5	3,499.5	4,589.5	3,499.5	2,609.1

ii) Department of Company Affairs with reference to the General Circular no. 4/2003 vide G.S.R. 413 (E) dated 18.06.2014, had clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. However, the Company needs to create DRR in case of public issue of Debentures and accordingly, the Company has created DRR towards its public issue of Secured Redeemable Non-Convertible Debentures :

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Debenture redemption reserve	1,691.0	1,691.0	1,691.0	1,691.0	1,691.0

24(a). Nature and Purpose of Reserves:
i. Capital reserve on Amalgamation - This reserve is created on account of merger of Aadhar Housing Finance Limited into DHFL Vysya Housing Finance Limited.
ii. Securities Premium - Securities premium account is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.
iii. Statutory Reserve - Section 29C (i) of the National Housing Act, 1987 defines that every housing finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the statement of profit and loss before any dividend is declared. For this purpose any special reserve created by the Company under Section 36(1)(viii) of the Income Tax Act 1961, is considered to be an eligible transfer. During the year ended March 31, 2023, March 31, 2022 and March 31, 2021, the Company has transferred an amount of ₹ 1,090.0 Million, 890.4 Million and 682.7 Million respectively to special reserve in terms of Section 36(1)(viii) of the Income Tax Act 1961 and has been considered eligible for special reserve u/s 29C of the National Housing Bank Act, 1987.
iv. Debenture Redemption reserve - This reserve is created while issuing Debentures with an objective to reduce the risk of default in repayments of debentures. The Company has created debenture redemption reserve towards its public issue of Secured Redeemable Non-convertible Debentures.
v. Employee Stock Option Outstanding - This reserve relates to stock option granted by the Company to employees under various ESOP schemes.

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Notes to restated consolidated financial information

25. Revenue from operations (₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest income					
On financial assets measured at amortised cost					
Interest on loans	15,794.0	12,335.5	16,748.5	14,634.3	13,033.6
Interest on fixed deposits	699.0	462.0	739.7	689.0	1,212.1
Interest on bonds and debentures	240.2	198.0	274.6	59.6	23.5
Other interest	-	-	-	-	0.2
	16,733.2	12,995.5	17,762.8	15,382.9	14,269.4
b) Fees and commission Income					
Loan processing fee and other charges (net of business sourcing expenses)	626.3	594.7	823.6	577.4	579.1
Intermediary services	602.7	145.9	223.7	158.2	178.9
	1,229.0	740.6	1,047.3	735.6	758.0
c) Net gain on fair value changes					
Measured at FVTPL					
Equity investment measured at FVTPL					
Realised	-	-	-	-	-
Unrealised	0.2	0.1	0.1	0.0	-
	0.2	0.1	0.1	0.0	-
Investment in mutual fund measured at FVTPL					
Realised	149.1	243.9	317.6	229.1	67.6
Unrealised	-	-	0.2	5.5	20.2
	149.1	243.9	317.8	234.6	87.8
	149.3	244.0	317.9	234.6	87.8
d) Net gain on derecognition of financial instruments under amortised cost category					
On assignment of portfolio	838.7	897.9	1,304.3	929.6	638.1
	838.7	897.9	1,304.3	929.6	638.1
Total	**18,950.2**	**14,878.0**	**20,432.3**	**17,282.7**	**15,753.3**

i) Amount "0" represent value less than Rs 50,000.
ii) Disclosure in respect of fees and commission income on insurance business undertaken by the company are included in intermediary services

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Life Insurance Business	254.2	59.7	84.8	51.3	47.6
Non - Life Insurance Business	220.3	46.9	84.5	66.6	98.9
Total	**474.5**	**106.6**	**169.3**	**117.9**	**146.5**

26. Other income (₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on sale of fixed assets (net)	-	-	0.8	-	-
Miscellaneous income	1.5	4.1	2.1	2.9	2.2
Total	**1.5**	**4.1**	**2.9**	**2.9**	**2.2**

27. Finance costs (₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expenses on financial liabilities measured at amortised cost					
Interest on borrowings (other than debt securities)	5,520.4	4,376.7	5,934.6	5,556.3	5,974.7
Interest on deposits	1.7	2.9	3.7	7.9	48.6
Interest on non convertible debentures	1,535.5	1,272.1	1,782.4	1,697.4	1,800.2
Interest on subordinated liabilities	46.5	52.9	68.9	82.7	82.7
Interest on others	3.3	9.9	11.0	7.7	13.4
Interest on lease liabilities (refer note 35)	30.8	26.1	35.0	29.5	21.1
Finance charges	109.9	116.7	156.3	230.5	219.0
Total	**7,248.1**	**5,857.3**	**7,991.9**	**7,612.0**	**8,159.7**

28. Impairment on financial instruments (₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial instruments measured at amortised cost					
Impairment allowance on loans (Refer note 28.1 & 28.2 below)	178.5	456.0	304.8	426.7	493.5
Bad-debts written off	275.2	96.8	187.3	60.4	58.8
Others					
Asset held for sale	-	-	-	-	(2.9)
Total	**453.7**	**552.8**	**492.1**	**487.1**	**549.4**

Notes to restated consolidated financial information

28.1 The Company has made an additional impairment provision of below mentioned amount towards Covid-19 and loans on which one-time restructuring has been implemented (Refer note 6(vi)).

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Additional impairment provision	(64.4)	(112.4)	(90.5)	251.4	107.1

28.2 Impairment allowance on loans (including write off) towards loan to developers :

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Impairment allowance on loans including write off	(57.7)	(56.0)	(75.4)	(209.1)	50.3

Net carrying value of loans to developers are given below :

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Net carrying value	-	-	-	-	13.8

The Company has not made any fresh loan sanctions under Loans to developers for all the reporting periods

29. Employee benefits expense (₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, bonus and other allowances	2,543.4	2,027.9	2,878.7	2,182.9	1,642.0
Contribution to provident fund and other funds (refer note 41)	203.1	155.6	218.9	171.6	152.8
Share based payments to employees (refer note 42)	33.6	42.2	56.3	76.7	61.2
Staff welfare expenses	120.1	49.1	66.2	50.7	32.1
Total	**2,900.2**	**2,274.8**	**3,220.1**	**2,481.9**	**1,888.1**

30. Other expenses (₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent (refer note 35)	62.8	46.3	66.1	59.0	57.4
Travelling expenses	140.5	133.8	178.6	116.7	46.6
Printing and stationery	24.0	24.4	36.9	24.0	21.8
Advertisement and business promotion	123.9	61.4	140.8	52.4	26.1
Insurance	75.2	63.8	108.6	73.7	56.6
Legal and professional charges	109.6	78.7	116.2	68.7	75.5
Auditors remuneration (refer note below 30.2)	11.5	7.1	10.1	13.2	7.8
Postage, telephone and other communication expenses	51.8	61.4	84.0	64.2	51.4
General repairs and maintenance	228.5	158.7	254.0	143.3	149.5
Loss on sale of asset held for sale	-	-	-	-	1.2
Electricity charges	32.7	26.4	34.3	22.5	27.7
Directors sitting fees and commission (refer note below 30.3 and 44)	10.6	11.6	15.4	14.6	12.1
Corporate social responsibility expenses (refer note below 30.1)	84.9	63.8	82.1	60.0	41.7
Goods and service tax	177.1	107.3	153.1	113.1	76.9
Loss on sale of fixed assets	2.3	1.4	-	1.7	2.6
Other expenses	52.3	67.7	77.8	71.4	66.4
Total	**1,187.7**	**913.8**	**1,358.0**	**898.5**	**721.3**

30.1 Details of Corporate Social Responsibility

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Amount required to be spend during the period	84.9	63.8	82.0	60.0	41.7
b) Amount spend during the period	49.5	15.5	22.2	85.6	47.7
c) Amount provided during the period	98.4	51.5	63.0	3.2	28.8
d) Amount of shortfall at the end of the period	98.4	51.5	63.0	3.2	28.9
e) Total amount of previous periods shortfall	63.0	3.2	3.2	28.9	34.9

f) Reason for shortfall :
The unspent amount has been identified for projects expected to be completed in coming period.
Due to one of the skilling projects not being executed as planned, the CSR Committee decided to stop the project in FY 21-22. The unspent amount has been transferred to the Unspent CSR Account and will be utilized for an identified ongoing projects in FY 22-23.
Due to widespread pandemic of COVID19, the Company's major CSR activities focused on health, education & response to pandemic crisis. Hence the Company was unable to utilise the complete amount of CSR budget allocated for the year ended March 31, 2021.

g) Nature CSR activities :- Donation of ambulances & support equipment, early child care & education, skill development & livelihood enhancement, skilling for specially challenged, skilling for kids of destitute homes, computer lab set up for government schools, skilling of women, health camps, donation of oxygen concentrators, donation of ration kits.

Amount mentioned above were paid in cash during the respective financial year and were incurred for the purpose other than construction / purchase of assets.

Notes to restated consolidated financial information

30.2 Details of auditors remuneration :

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit fee (including regulatory certificates)	5.7	2.5	8.2	11.3	5.5
Tax audit fee	2.4	1.4	1.5	0.6	0.8
Others	3.4	2.6	0.4	0.8	1.0
GST on Above	-	0.6	-	0.5	0.5
Total	**11.5**	**7.1**	**10.1**	**13.2**	**7.8**

Note : Auditors remuneration upto September 30, 2021 is paid / payable to previous auditors.

30.3 Directors sitting fee and commission is net off reversal :

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Reversals	-	-	-	-	-
Provision as at respective period end date	11.5	9.0	11.6	12.0	9.6

31. Tax expense

a) Income tax expenses

The major components of income tax expenses

i) Profit and loss section

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expenses	1,571.8	1,127.3	1,571.1	1,254.5	934.6
Short/(Excess) Provision of Income Tax for earlier years	(5.6)	-	-	-	-
Deferred tax charge / (credit)	(35.2)	(5.3)	(60.5)	(29.4)	(10.8)
Total	**1,531.0**	**1,122.0**	**1,510.6**	**1,225.1**	**923.8**

ii) Other comprehensive income section

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax expenses	-	-	-	-	-
Deferred tax	0.9	2.6	2.0	4.4	1.3
Total	**0.9**	**2.6**	**2.0**	**4.4**	**1.3**

b) Reconciliation of tax expense

(₹ in Million)

	Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
(A)	Profit before income taxes (including other comprehensive income)	7,013.3	5,172.9	6,966.0	5,691.5	4,329.7
(B)	Enacted tax rate in India (including surcharge and cess)	25.168%	25.168%	25.168%	25.168%	25.168%
(C)	Expected tax expenses	1,765.1	1,301.9	1,753.2	1,432.4	1,089.7
(D)	Other than temporary difference					
	Special reserve	245.2	191.9	257.9	217.8	171.0
	Difference in tax expenses of earlier period	5.6	-	0.3	-	4.6
	Expenses disallowed / (allowed)	(17.6)	(14.6)	(17.6)	(14.9)	(11.0)
(E)	Tax expense recognised in profit and loss	1,531.0	1,122.0	1,510.6	1,225.1	923.8
(F)	Tax expense recognised in other comprehensive income	0.9	2.6	2.0	4.4	1.3

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Notes to restated consolidated financial information

32. Earnings per equity share

The following is the computation of earnings per equity share on basic and diluted earnings per equity share:

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit after tax attributable to equity shareholders (₹ In Million)	5,478.8	4,040.6	5,447.6	4,448.5	3,401.3
Weighted average number of equity shares outstanding during the year/period (Nos)	39,47,54,970	39,47,54,970	39,47,54,970	39,47,54,970	3,94,71,461
Adjustment for Bonus Issue (refer note below)	-	-	-	-	35,52,43,149
Weighted average number of equity shares outstanding during the year (Nos) after adjustment for Bonus Issue	39,47,54,970	39,47,54,970	39,47,54,970	39,47,54,970	39,47,14,610
Add: Effect of potential issue of shares / stock rights outstanding during the year/period*	1,24,53,519	1,22,85,425	1,21,59,478	1,23,85,519	11,82,939
Adjustment for Bonus Issue (refer note below)	-	-	-	-	1,06,46,451
Effect of potential issue of shares / stock rights outstanding during the year/period* after adjustment for Bonus Issue	1,24,53,519	1,22,85,425	1,21,59,478	1,23,85,519	1,18,29,390
Weighted average number of equity shares outstanding during the year including potential shares outstanding (Nos)	40,72,08,489	40,70,40,395	40,69,14,448	40,71,40,489	40,65,44,000
Face value per equity share (₹)	10	10	10	10	10
Basic earnings per equity share (₹)	13.88	10.24	13.8	11.3	8.6
Diluted earnings per equity share (₹)	13.45	9.93	13.4	10.9	8.4

* not considered when anti-dilutive

Basic and Diluted earnings per equity share is not annualised for the nine months ended December 31, 2023 and December 31, 2022.

Note: (1) The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of Rs. 10 each for each existing equity share of the face value of Rs. 10 on 16th January 2021 in extraordinary general meeting (EGM). Consequently, earnings per share has been restated for all the years presented.

Notes to restated consolidated financial information

33. Contingent liabilities

Claims against the Company not acknowledged as debt:

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Income tax matters of earlier years	30.0	37.8	37.8	35.7	2.1
Indirect tax matters of earlier years	113.6	48.2	52.1	21.6	-
Total	**143.6**	**86.0**	**89.9**	**57.3**	**2.1**

Part of the aforementioned contingent liabilities towards income tax have been paid under protest.

34. Commitments

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	16.0	23.0	48.2	36.1	82.8
Undisbursed amount of loans sanctioned and partly disbursed	8,603.1	6,455.2	9,007.1	5,595.7	3,922.7
Undisbursed amount of loans sanctioned but not disbursed	7,148.0	6,491.4	7,847.8	5,303.3	5,147.0

35. Lease

Following are the changes in the carrying value of right of use assets:

Building

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening	**329.4**	**266.0**	**266.0**	**298.3**	**216.2**
Addition during the period	183.5	119.3	145.2	42.6	140.4
Deletion during the period	(0.9)	(0.2)	(0.2)	(5.5)	(1.3)
Depreciation charge for the period	(75.8)	(60.2)	(81.6)	(69.4)	(57.0)
Closing	**436.2**	**324.9**	**329.4**	**266.0**	**298.3**

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Notes to restated consolidated financial information

Intangible

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening	**53.4**	**68.7**	**68.7**	**56.4**	**42.0**
Addition during the period	-	-	-	19.9	14.4
Deletion during the period	-	-	-	-	-
Depreciation charge for the period	(11.4)	(11.5)	(15.3)	(7.6)	-
Closing	**42.0**	**57.3**	**53.4**	**68.7**	**56.4**

The following is the movement in lease liabilities:

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening	**379.5**	**305.3**	**305.3**	**324.1**	**229.2**
Addition during the period	183.5	119.3	145.2	42.4	140.5
Finance cost accrued during the period	30.7	26.0	34.9	29.5	21.1
Deletion during the period	-	(0.2)	(0.2)	(5.5)	(1.5)
Payment made during the period	(96.7)	(77.5)	(105.7)	(85.4)	(65.2)
Closing	**497.0**	**372.9**	**379.5**	**305.3**	**324.1**

The table below provides details regarding the contractual maturities of lease liabilities as of December 31, 2023 on an undiscounted basis:

Particulars	**₹ in Million**
Less than one year	142.5
One to five years	406.9
More than five years	104.5
Total	**653.9**

Rental expense recorded for short-term leases was as mentioned below :

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Rental expenses	62.8	46.3	66.1	59.0	57.4

The aggregate depreciation on Right to use assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

36. Financial instruments

(i) Fair value hierarchy

The Group uses the following hierarchy to determine the fair values of its financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There were no transfers between levels 1, 2 and 3 during the year.

The Group recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation process

The management of the Group performs the valuations of financial assets and liabilities required for financial reporting purposes.

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Valuation processes and Technique

Type of Instrument	**Reference Price**
Investment in Mutual Funds	NAV as on the reporting date.
Investment in Equity Shares	Quoted price on exchange as on the reporting date.

Notes to restated consolidated financial information

As at December 31, 2023

(₹ in Million)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	**Level 1**	0.6	-	-	0.6	-	-
- Mutual funds	**Level 1**	37.0	-	-	37.0	-	-
- Government securities	**Level 2**	-	-	4,457.9	-	-	4,510.0
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of Rs 1,00,000/- each	**Level 1**	-	-	169.8	-	-	159.1
Financial liabilities							
Debt securities	**Level 1**	-	-	219.2	-	-	210.4
Debt securities	**Level 3**	-	-	23,308.2	-	-	23,207.0

As at December 31, 2022

(₹ in Million)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	**Level 1**	0.2	-	-	0.2	-	-
- Mutual funds	**Level 1**	-	-	-	-	-	-
- Government securities	**Level 2**	-	-	3,885.2	-	-	3,986.9
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of Rs 1,00,000/- each	**Level 1**	-	-	205.2	-	-	176.2
Financial liabilities							
Debt securities	**Level 1**	-	-	713.3	-	-	707.1
Debt securities	**Level 3**	-	-	22,979.0	-	-	22,887.3

As at March 31, 2023

(₹ in Million)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	**Level 1**	0.3	-	-	0.3	-	-
- Mutual funds	**Level 1**	11.6	-	-	11.6	-	-
- Government securities	**Level 2**	-	-	4,338.1	-	-	4,427.7
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd	**Level 1**	-	-	164.2	-	-	154.4

Notes to restated consolidated financial information

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Face Value of Rs 1,00,000 each							
Financial liabilities							
Debt securities	**Level 1**	-	-	722.6	-	-	708.9
Debt securities	**Level 3**	-	-	24,858.1	-	-	24,712.4

As at March 31, 2022

(₹ in Million)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	**Level 1**	0.2	-	-	0.2	-	-
- Mutual funds	**Level 1**	1,417.0	-	-	1,417.0	-	-
- Government securities	**Level 2**	-	-	1,707.4	-	-	1,791.7
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of Rs 1,00,000 each	**Level 1**	-	-	196.0	-	-	171.3
Financial liabilities							
Debt securities	**Level 1**	-	-	729.9	-	-	705.2
Debt securities	**Level 3**	-	-	17,298.9	-	-	16,937.7

As at March 31, 2021

(₹ in Million)

Particulars	Fair Value Hierarchy	Fair Value			Carrying Value		
		FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets							
Investments							
- Equity instruments	**Level 1**	0.2	-	-	0.2	-	-
- Mutual funds	**Level 1**	4,730.9	-	-	4,730.9	-	-
- Government securities	**Level 2**	-	-	49.5	-	-	49.4
9.80% NCD Jaipur Vidyut Vitran Nigam Ltd Face Value of Rs 1,00,000 each	**Level 1**	-	-	207.5	-	-	190.4
Financial liabilities							
Debt securities	**Level 1**	-	-	7,149.8	-	-	6,725.4
Debt securities	**Level 3**	-	-	14,914.2	-	-	14,677.7

Notes to restated consolidated financial information

The Group considers that the carrying amounts recognised in the financial statements for housing and other loans, debt securities (other than disclosed above), deposits, borrowings (other than debt securities), subordinated liabilities, trade receivables, payables and other financial assets and liabilities whose fair value is not disclosed approximate their fair values.

37. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Group uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ in Million)

Particulars	December 31, 2023		
	Within 12 months	After 12 months	Total
ASSETS			
Cash and cash equivalents	1,884.7	-	1,884.7
Other bank balances	8,293.4	2,039.4	10,332.8
Receivables	258.5	-	258.5
Housing and other loans	23,010.4	1,36,084.1	1,59,094.5
Investments	37.0	4,669.7	4,706.7
Other financial assets	971.4	1,636.2	2,607.6
Non-financial assets			
Current tax assets (Net)	81.2	-	81.2
Property, plant and equipment	-	282.7	282.7
Right of use assets	-	478.2	478.2
Other intangible assets	-	14.1	14.1
Deferred Tax Assets (Net)	-	3.0	3.0
Other non-financial assets	606.4	5.3	611.7
Total Assets	**35,143.0**	**1,45,212.7**	**1,80,355.7**
LIABILITIES			
Financial Liabilities			
Trade Payables	848.7	-	848.7
Debt Securities	3,404.0	20,013.4	23,417.4
Borrowings (Other than debt securities)	19,642.3	87,603.4	1,07,245.7
Deposits	11.6	5.2	16.8
Subordinated liabilities	-	596.0	596.0
Other financial liabilities	4,842.3	396.2	5,238.5
Non-Financial Liabilities			
Current tax liabilities (Net)	1.2	-	1.2
Provisions	221.2	-	221.2
Deferred tax liabilities (Net)	-	60.5	60.5
Other non-financial liabilities	217.8	-	217.8
Total liabilities	**29,189.1**	**1,08,674.7**	**1,37,863.8**
Net	**5,953.9**	**36,538.0**	**42,491.9**

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Notes to restated consolidated financial information

(₹ in Million)

Particulars	December 31, 2022		
	Within 12 months	After 12 months	Total
ASSETS			
Cash and cash equivalents	5,746.7	-	5,746.7
Other bank balances	3,493.7	7,477.9	10,971.6
Receivables	42.1	-	42.1
Housing and other loans	16,307.4	1,17,784.8	1,34,092.2
Investments	10.6	4,163.3	4,173.9
Other financial assets	917.8	1,647.9	2,565.7
Non-financial assets			
Current tax assets (Net)	155.2	-	155.2
Property, plant and equipment	-	227.2	227.2
Right of use assets	-	382.3	382.3
Other intangible assets	-	4.0	4.0
Deferred Tax Assets (Net)	-	2.1	2.1
Other non-financial assets	519.5	34.5	554.0
Total Assets	**27,192.9**	**1,31,726.2**	**1,58,919.1**
LIABILITIES			
Financial Liabilities			
Trade Payables	650.8	-	650.8
Debt Securities	10,911.0	12,683.4	23,594.4
Borrowings (Other than debt securities)	14,892.3	77,978.0	92,870.3
Deposits	18.0	17.2	35.2
Subordinated liabilities	54.8	600.0	654.8
Other financial liabilities	4,749.0	294.6	5,043.6
Non-Financial Liabilities			
Provisions	-	159.9	159.9
Deferred tax liabilities (Net)	-	151.2	151.2
Other non-financial liabilities	199.5	-	199.5
Total liabilities	**31,475.4**	**91,884.3**	**1,23,359.7**
Net	**4,282.5**	**39,841.9**	**35,559.4**

(₹ in Million)

Particulars	March 31, 2023		
	Within 12 months	After 12 months	Total
ASSETS			
Cash and cash equivalents	4,051.4	-	4,051.4
Other bank balances	12,293.9	2,834.7	15,128.6
Receivables	79.7	-	79.7
Housing and other loans	18,586.7	1,19,927.8	1,38,514.5
Investments	11.6	4,582.4	4,594.0
Other financial assets	824.8	1,763.7	2,588.5
Non-financial assets	-	-	-
Current tax assets (Net)	88.2	-	88.2

Notes to restated consolidated financial information

Particulars	March 31, 2023		
	Within 12 months	After 12 months	Total
Property, plant and equipment	-	247.5	247.5
Right to use assets	-	382.8	382.8
Other intangible assets	-	2.9	2.9
Deferred tax asset (net)	-	2.6	2.6
Other non-financial assets	429.1	68.9	498.0
Total Assets	**36,365.4**	**1,29,813.3**	**1,66,178.7**
LIABILITIES			
Financial Liabilities			
Trade Payables	805.0	-	805.0
Debt Securities	11,142.9	14,278.4	25,421.3
Borrowings (Other than debt securities)	11,726.5	83,700.8	95,427.3
Deposits	19.6	11.6	31.2
Subordinated liabilities	54.7	600.0	654.7
Other financial liabilities	6,086.7	298.0	6,384.7
Non-Financial Liabilities	-	-	-
Provisions	174.7	0.2	174.9
Deferred tax liabilities (Net)	-	94.4	94.4
Other non-financial liabilities	208.6	-	208.6
Total liabilities	**30,218.7**	**98,983.4**	**1,29,202.1**
Net	**6,146.7**	**30,829.9**	**36,976.6**

(₹ in Million)

Particulars	March 31, 2022		
	Within 12 months	After 12 months	Total
ASSETS			
Cash and cash equivalents	5,741.7	-	5,741.7
Other bank balances	10,155.8	1,204.1	11,359.9
Receivables	51.9	-	51.9
Housing and other loans	14,684.5	1,04,918.9	1,19,603.4
Investments	1,417.0	1,963.2	3,380.2
Other financial assets	1,068.2	1,385.2	2,453.4
Non-financial assets			
Current tax assets (Net)	242.2	-	242.2
Property, plant and equipment	-	208.1	208.1
Right to use assets	-	334.7	334.7
Other intangible assets	-	7.9	7.9
Deferred tax asset (net)	-	2.8	2.8
Other non-financial assets	364.9	7.0	371.9
Total Assets	**33,726.2**	**1,10,031.9**	**1,43,758.1**
LIABILITIES			

Notes to restated consolidated financial information

Particulars	March 31, 2022		
	Within 12 months	After 12 months	Total
Financial Liabilities			
Trade Payables	510.0	-	510.0
Debt Securities	1,066.8	16,576.1	17,642.9
Borrowings (Other than debt securities)	13,324.2	74,865.5	88,189.7
Deposits	48.8	31.1	79.9
Subordinated liabilities	173.4	660.0	833.4
Other financial liabilities	4,310.4	241.6	4,552.0
Non-Financial Liabilities			
Provisions	-	139.0	139.0
Deferred tax liabilities (Net)	-	153.1	153.1
Other non-financial liabilities	191.2	-	191.2
Total liabilities	**19,624.8**	**92,666.4**	**1,12,291.2**
Net	**14,101.4**	**17,365.5**	**31,466.9**

(₹ in Million)

Particulars	March 31, 2021		
	Within 12 months	After 12 months	Total
ASSETS			
Cash and cash equivalents	3,835.0	-	3,835.0
Other bank balances	17,832.0	45.8	17,877.8
Receivables	27.2	-	27.2
Housing and other loans	16,116.5	90,016.1	1,06,132.6
Investments	4,730.9	240.0	4,970.9
Other financial assets	901.4	1,251.8	2,153.2
Non-financial assets			
Current tax assets (Net)	342.8	-	342.8
Property, plant and equipment	-	163.9	163.9
Right to use assets	-	354.7	354.7
Other intangible assets	-	12.7	12.7
Deferred tax asset (net)	-	2.8	2.8
Other non-financial assets	426.5	3.2	429.7
Total Assets	**44,212.3**	**92,091.0**	**1,36,303.3**
LIABILITIES			
Financial Liabilities			
Trade Payables	386.8	-	386.8
Debt Securities	7,917.0	13,486.1	21,403.1
Borrowings (Other than debt securities)	14,175.4	66,928.7	81,104.1
Deposits	322.6	83.0	405.6
Subordinated liabilities	(8.1)	840.0	831.9
Other financial liabilities	4,510.7	264.2	4,774.9
Non-Financial Liabilities			
Provisions	-	125.0	125.0
Deferred tax liabilities (Net)	-	178.1	178.1
Other non-financial liabilities	165.6	-	165.6

Particulars	March 31, 2021		
	Within 12 months	After 12 months	Total
Total liabilities	**27,470.0**	**81,905.1**	**1,09,375.1**
Net	**16,742.3**	**10,185.9**	**26,928.2**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the company for compiling the return submitted to the RBI / NHB, which has been relied upon by the auditors.

38. Financial risk management

a. Liquidity Risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, the Group maintains flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

Liquidity risk is managed in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. The Asset Liability Management Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. The Asset Liability Committee (ALCO) of the Group formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Maturity Analysis of Financial assets and Financial Liabilities
As at December 31, 2023

(₹ in Million)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	1,884.7	1,884.7	-	-	-
Other bank balances	10,332.8	8,293.4	2,010.9	-	28.5
Housing and other loans	1,59,094.5	23,010.4	39,906.0	34,007.3	62,170.8
Investments	4,706.7	37.0	-	-	4,669.7
Receivables & Other financial assets	2,866.1	1,229.9	1,054.1	350.6	231.5
Total	**1,78,884.8**	**34,455.4**	**42,971.0**	**34,357.9**	**67,100.5**
Financial Liabilities					
Trade payables	848.7	848.7	-	-	-
Debt securities	23,417.4	3,404.0	14,253.5	4,882.4	877.5
Borrowings (other than debt securities)	1,07,245.7	19,642.3	37,631.3	28,183.8	21,788.3

Notes to restated consolidated financial information

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Deposits	16.8	11.6	4.1	0.9	0.2
Subordinated liabilities	596.0	-	596.0	-	-
Other financial liabilities	5,238.5	4,842.3	153.9	105.3	137.0
Total	**1,37,363.1**	**28,748.9**	**52,638.8**	**33,172.4**	**22,803.0**
Net	**41,521.7**	**5,706.5**	**9,667.8**	**1,185.5**	**44,297.5**
Cumulative Net	**-**	**5,706.5**	**3,961.3**	**2,775.8**	**41,521.7**

As at December 31, 2022

(₹ in Million)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	5,746.7	5,746.7	-	-	-
Other bank balances	10,971.6	3,493.7	-	-	7,477.9
Housing and other loans	1,34,092.2	16,307.4	28,262.9	23,871.6	65,650.3
Investments	4,173.9	10.6	-	-	4,163.3
Receivables & Other financial assets	2,607.8	959.9	1,079.3	386.9	181.7
Total	**1,57,599.2**	**26,518.3**	**29,379.6**	**24,258.5**	**77,473.2**
Financial Liabilities					
Trade payables	650.8	650.8	-	-	-
Debt securities	23,594.4	10,911.0	2,090.0	3,361.0	7,232.4
Borrowings (other than debt securities)	92,870.3	14,892.3	34,120.9	26,150.1	17,707.0
Deposits	35.2	18.0	12.4	3.9	0.9
Subordinated liabilities	654.8	54.8	-	600.0	-
Other financial liabilities	5,043.6	4,749.0	150.1	69.9	74.6
Total	**1,22,849.1**	**31,275.6**	**36,373.4**	**30,184.9**	**25,014.9**
Net	**34,743.1**	**4,757.6**	**6,993.8**	**5,926.4**	**52,458.3**
Cumulative Net	**-**	**4,757.6**	**11,751.4**	**17,677.8**	**34,780.5**

As at March 31, 2023

(₹ in Million)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	4,051.4	4,051.4	-	-	-
Other bank balances	15,128.6	12,293.9	9.6	-	2,825.1
Housing and other loans	1,38,514.5	18,586.7	29,904.4	25,301.3	64,722.1
Investments	4,594.0	11.6	-	-	4,582.4
Receivables & Other financial assets	2,668.2	904.5	1,063.3	423.2	277.2
Total	**1,64,956.7**	**35,848.1**	**30,977.3**	**25,724.5**	**72,406.8**
Financial Liabilities	-	-	-	-	-
Trade payables	805.0	805.0	-	-	-
Debt securities	25,421.3	11,142.9	6,749.5	4,684.0	2,844.9

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Notes to restated consolidated financial information

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Borrowings (other than debt securities)	95,427.3	11,726.5	36,698.7	28,842.6	18,159.5
Deposits	31.2	19.6	7.7	3.3	0.6
Subordinated liabilities	654.7	54.7	-	600.0	-
Other financial liabilities	6,384.7	6,086.7	150.8	66.4	80.8
Total	**1,28,724.2**	**29,835.4**	**43,606.7**	**34,196.3**	**21,085.8**
Net	**36,232.5**	**6,012.7**	**(12,629.4)**	**(8,471.8)**	**51,321.0**
Cumulative Net	**-**	**6,012.7**	**(6,616.7)**	**(15,088.5)**	**36,232.5**

As at March 31, 2022

(₹ in Million)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	5,741.7	5,741.7	-	-	-
Other bank balances	11,359.9	10,155.8	1,179.8	-	24.3
Housing and other loans	1,19,603.4	14,684.5	25,499.3	21,675.4	57,744.2
Investments	3,380.2	1,417.0	-	-	1,963.2
Receivables & Other financial assets	2,505.3	1,120.1	920.4	312.0	152.8
Total	**1,42,590.5**	**33,119.1**	**27,599.5**	**21,987.4**	**59,884.5**
Financial Liabilities					
Trade payables	510.0	510.0	-	-	-
Debt securities	17,642.9	1,066.8	14,127.8	2,236.0	212.3
Borrowings (other than debt securities)	88,189.7	13,324.2	31,322.1	23,375.6	20,167.8
Deposits	79.9	48.8	26.0	4.1	1.0
Subordinated liabilities	833.4	173.4	60.0	600.0	-
Other financial liabilities	4,552.0	4,310.4	136.1	68.9	36.6
Total	**1,11,807.9**	**19,433.6**	**45,672.0**	**26,284.6**	**20,417.7**
Net	**30,782.6**	**13,685.5**	**(18,072.5)**	**(4,297.2)**	**39,466.8**
Cumulative Net		**13,685.5**	**(4,387.0)**	**(8,684.2)**	**30,782.6**

As at March 31, 2021

(₹ in Million)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	3,835.0	3,835.0	-	-	-
Other bank balances	17,877.8	17,832.0	-	22.8	23.0
Housing and other loans	1,06,132.6	15,584.1	26,712.9	21,344.5	42,491.1
Investments	4,970.9	4,730.9	-	-	240.0
Receivables & Other financial assets	2,180.4	928.6	799.3	294.1	158.4
Total	**1,34,996.7**	**42,910.6**	**27,512.2**	**21,661.4**	**42,912.5**

Notes to restated consolidated financial information

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Liabilities					
Trade payables	386.8	386.8	-	-	-
Debt securities	21,403.1	7,917.0	11,037.7	1,922.0	526.4
Borrowings (other than debt securities)	81,104.1	14,175.4	27,352.7	19,508.9	20,067.1
Deposits	405.6	322.6	71.4	7.4	4.2
Subordinated liabilities	831.9	(8.1)	240.0	-	600.0
Other financial liabilities	4,774.9	4,510.7	123.5	109.7	31.0
Total	**1,08,906.4**	**27,304.4**	**38,825.3**	**21,548.0**	**21,228.7**
Net	**26,090.3**	**15,606.2**	**(11,313.1)**	**113.4**	**21,683.8**
Cumulative Net		**15,606.2**	**4,293.1**	**4,406.5**	**26,090.3**

Note: The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend. Classification of assets and liabilities under the different maturity buckets is based on the same estimates and assumptions as used by the company for compiling the return submitted to the RBI/NHB, which has been relied upon by the auditors.

b. Interest Risk

The core business of the Group is providing housing and other mortgage loans. The Group borrows through various financial instruments to finance its core lending activity. These activities expose the Group to interest rate risk.

Interest rate risk is measured through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, exposure to fluctuations in interest rates is also measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of Balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. The interest rate risk is monitored through above measures on a quarterly basis.

Interest Rate Sensitivity

The following table demonstrates the net sensitivity to a reasonably possible change in interest rate (all other variables being constant) of the Group’s statement of profit and loss (before taxes)

(₹ in Million)

Particulars	Basis Points	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Increase by basis points	+50	122.6	106.6	152.3	196.7	164.6
Decrease by basis points	-50	(122.6)	(106.6)	(152.3)	(196.7)	(164.6)

Notes to restated consolidated financial information

c. Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the Group. In its lending operations, the Group is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Group measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and other property loans. The Group has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

Credit Risk Assessment Methodology

Group's customers for retail loans are primarily lower and middle income, salaried and self-employed individuals. The loans are secured by the mortgage of the borrowers' property.

The Group's credit officers evaluate credit proposals on the basis of operating policies approved by the Board of Directors. The criteria typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans made to retail borrowers.

Group monitor's borrower account behaviour as well as static data regularly to monitor the portfolio performance of each product segment regularly, and use these as inputs in revising its product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Stage 1	High quality assets	12-month ECL
Stage 2	Assets for which there is significant increase in credit risk	Lifetime ECL
Stage 3	Credit-impaired assets	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on seasoned historical portfolio data using the survival analysis methodology.

EAD - The Exposure at Default includes repayments scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

Notes to restated consolidated financial information

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on seasoned historical portfolio data.

Additional provision due to Covid-19 and one-time restructuring:-

Based on management overlay the additional provision including one-time restructuring maintained at amount of ₹ 698.7 Million has been carried as of December 31, 2023.

The customers who have availed the benefit of one-time restructuring have been disclosed in stage 2 assets.

An analysis of changes in the gross carrying amount (excluding adjustment to carrying value on account of application of effective interest rate) and the corresponding ECL allowances in relation to lending is, as follows:

a) Housing and Other Property Loan

The table below shows the credit quality and the exposure to credit risk based on the period-end stage classification. The amounts presented are gross of impairment allowances.

As at December 31, 2023

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	1,52,811.7	539.2	1,52,272.5
Stage 2 – Assets for which there is significant increase in credit risk	Loan	6,143.4	776.2	5,367.2
Stage 3 - Credit-impaired assets	Loan	2,308.1	853.3	1,454.8

1. Above includes Expected Credit Loss provision on Loan commitment amount to Rs. 18.5 Million (Stage1- included in Rs. 539.2 Million).
2. Above includes Expected Credit Loss provision on account of additional management overlay and one-time restructuring amounting to Rs. 698.7 Million.
3. Stage 3 assets includes loan assets more than 90 DPD and less than equal to 90 DPD, the breakup is as under:-

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – Assets Less than equal to 90 DPD	Loan	52.2	11.8	40.4
Stage 3b – Assets more than 90 DPD (refer note)	Loan	2,255.9	841.5	1,414.4
Total Stage 3 - Credit-impaired assets	Loan	**2,308.1**	**853.3**	**1,454.8**

As at December 31, 2022

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	1,27,869.5	439.4	1,27,430.1
Stage 2 – Assets for which there is significant increase in credit risk	Loan	5,742.8	743.6	4,999.2

Notes to restated consolidated financial information

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 3 - Credit-impaired assets	Loan	2,402.4	739.5	1,662.9

1. Above includes Expected Credit Loss provision on Loan commitment amount to Rs. 13.0 Million (Stage1- included in Rs. 439.4 Million).
2. Above includes Expected Credit Loss provision on account of additional management overlay and one-time restructuring amounting to Rs. 741.2 Million.
3. Stage 3 assets includes loan assets more than 90 DPD and less than equal to 90 DPD, the breakup is as under:-

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – Assets Less than equal to 90 DPD	Loan	148.9	44.6	104.3
Stage 3b – Assets more than 90 DPD (refer note)	Loan	2,253.5	694.9	1,558.5
Total Stage 3 - Credit-impaired assets	Loan	**2,402.4**	**739.5**	**1,662.9**

As at March 31, 2023

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	1,32,943.9	529.4	1,32,414.5
Stage 2 – Assets for which there is significant increase in credit risk	Loan	5,805.7	774.8	5,030.9
Stage 3 - Credit-impaired assets	Loan	1,625.9	556.8	1,069.1

1. Above includes Expected Credit Loss provision on Loan commitment amount to Rs. 21.4 Million included in Stage 1.
2. Above includes Expected Credit Loss provision on account of additional management overlay and one-time restructuring amounting to Rs. 763.1 Million.
3. Stage 3 assets includes loan assets more than 90 DPD and less than equal to 90 DPD, the breakup is as under:-

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – Assets Less than equal to 90 DPD	Loan	58.9	14.2	44.7
Stage 3b – Assets more than 90 DPD	Loan	1,567.0	542.6	1,024.4
Total Stage 3 - Credit-impaired assets	Loan	**1,625.9**	**556.8**	**1,069.1**

As at March 31, 2022

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	1,12,973.0	354.7	1,12,618.3

Notes to restated consolidated financial information

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 2 – Assets for which there is significant increase in credit risk	Loan	6,512.0	817.0	5,695.0
Stage 3 - Credit-impaired assets	Loan	1,825.5	535.3	1,290.2

1. Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 9.3 Million included in Stage 1.
2. Above includes Expected Credit Loss provision due to current economic situation of Covid-19 and loans on which One Time Restructuring was implemented amounting to Rs. 853.6 Million.
3. Stage 3 assets includes loan assets more than 90 DPD and less than equal to 90 DPD, the breakup is as under:-

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 3a – Assets Less than equal to 90 DPD	Loan	338.9	53.2	285.7
Stage 3b – Assets more than 90 DPD	Loan	1,486.6	482.1	1,004.5
Total Stage 3 - Credit-impaired assets	Loan	**1,825.5**	**535.3**	**1,290.2**

Note : Stage 3b - Assets more than 90 DPD is comparable with Stage 3 assets of March 31, 2021.

As at March 31, 2021

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss (refer note 1 and 2 below)	Net Carrying Amount
Stage 1 – High quality assets	Loan	99,829.6	244.2	99,585.4
Stage 2 – Assets for which there is significant increase in credit risk	Loan	6,848.6	795.6	6,053.0
Stage 3 - Credit-impaired assets	Loan	1,350.1	433.6	916.5

1. Above includes Expected Credit Loss provision on Loan commitment amount to Rs. 4.5 Million included in Stage 1.
2. Above includes Expected Credit Loss provision due to current economic situation of Covid-19 and loans on which One Time Restructuring was implemented amounting to Rs. 602.2 Million.
3. Gross carrying amount disclosed above excludes EIR adjustments amounting to Rs. 437.1 Million.

Reconciliation of Loan balances is given below:

(₹ in Million)

Particulars	For the nine months ended December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,32,943.9**	**5,805.7**	**1,625.9**	**1,40,375.5**
New assets added during the year	49,040.6	-	-	49,040.6
Assets derecognised under direct assignment	(11,307.0)	-	-	(11,307.0)
Repayment of Loans (excluding write offs)	(15,797.0)	(693.7)	(151.5)	(16,642.2)
Transfers to / from Stage 1	676.4	(589.7)	(86.7)	-
Transfers to / from Stage 2	(2,206.5)	2,317.2	(110.7)	-

Notes to restated consolidated financial information

Particulars	For the nine months ended December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Transfers to / from Stage 3	(489.2)	(657.3)	1,146.5	-
Amounts written off	(49.5)	(38.8)	(115.4)	(203.7)
Gross carrying amount closing balance	**1,52,811.7**	**6,143.4**	**2,308.1**	**1,61,263.2**

(₹ in Million)

Particulars	For the nine months ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,12,973.0**	**6,512.0**	**1,825.5**	**1,21,310.5**
New assets added during the year	39,453.6	-	-	39,453.6
Assets derecognised under direct assignment	(8,166.9)	-	-	(8,166.9)
Repayment of Loans (excluding write offs)	(15,307.2)	(686.3)	(195.6)	(16,189.1)
Transfers to / from Stage 1	1,164.0	(890.3)	(273.7)	-
Transfers to / from Stage 2	(1,823.5)	1,939.6	(116.1)	-
Transfers to / from Stage 3	(395.2)	(1,120.7)	1,515.9	-
Amounts written off	(28.3)	(11.5)	(353.6)	(393.4)
Gross carrying amount closing balance	**1,27,869.5**	**5,742.8**	**2,402.4**	**1,36,014.7**

(₹ in Million)

Particulars	For the year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**1,12,973.0**	**6,512.0**	**1,825.5**	**1,21,310.5**
New assets added during the year	58,964.8	-	-	58,964.8
Assets derecognised under direct assignment	(12,624.0)	-	-	(12,624.0)
Repayment of Loans (excluding write offs)	(25,525.3)	(994.2)	(339.4)	(26,858.9)
Transfers to / from Stage 1	1,362.8	(1,006.5)	(356.3)	-
Transfers to / from Stage 2	(1,909.0)	2,077.7	(168.7)	-
Transfers to / from Stage 3	(274.7)	(735.9)	1,010.6	-
Amounts written off	(23.7)	(47.4)	(345.8)	(416.9)
Gross carrying amount closing balance	**1,32,943.9**	**5,805.7**	**1,625.9**	**1,40,375.5**

(₹ in Million)

Particulars	For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**99,829.6**	**6,848.6**	**1,350.1**	**1,08,028.3**
New assets added during the year	39,919.3	-	-	39,919.3
Assets derecognised under direct assignment	(7,721.2)	-	-	(7,721.2)
Repayment of Loans (excluding write offs)	(17,777.2)	(538.1)	(188.8)	(18,504.1)
Transfers to / from Stage 1	1,827.9	(1,725.8)	(102.1)	-
Transfers to / from Stage 2	(2,624.0)	2,634.9	(10.9)	-
Transfers to / from Stage 3	(467.6)	(705.5)	1,173.1	-
Amounts written off	(13.8)	(2.1)	(395.9)	(411.8)
Gross carrying amount closing balance	**1,12,973.0**	**6,512.0**	**1,825.5**	**1,21,310.5**

(₹ in Million)

Particulars	For the year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	85,798.1	3,639.9	991.2	90,429.2
New assets added during the year	35,447.1	-	-	35,447.1
Assets derecognised under direct assignment	(5,778.7)	-	-	(5,778.7)

Notes to restated consolidated financial information

Repayment of Loans (excluding write offs)	(11,630.4)	(200.1)	(192.2)	(12,022.7)
Transfers to / from Stage 1	961.6	(947.9)	(13.7)	-
Transfers to / from Stage 2	(4,874.8)	4,907.3	(32.5)	-
Transfers to / from Stage 3	(80.9)	(542.5)	623.4	-
Amounts written off	(12.4)	(8.1)	(26.1)	(46.6)
Gross carrying amount closing balance	**99,829.6**	**6,848.6**	**1,350.1**	**1,08,028.3**

Note: Gross carrying amount disclosed above excludes EIR adjustments amounting to ₹ 437.1 Million.
Reconciliation of ECL balance is given below:

(₹ in Million)

Particulars	**For the nine months ended December 31, 2023**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	**529.4**	**774.8**	**556.8**	**1,861.0**
New assets added during the period	171.6	-	-	171.6
Assets derecognised under direct assignment	(39.6)	-	-	(39.6)
Repayment of Loans (excluding write offs)	(63.2)	(92.6)	(51.9)	(207.7)
Transfers to / from Stage 1	2.4	(2.1)	(0.3)	-
Transfers to / from Stage 2	(278.7)	292.7	(14.0)	-
Transfers to / from Stage 3	(180.9)	(243.0)	423.9	-
Impact on period end ECL of exposures transferred between stages during the period	447.7	85.2	54.2	587.1
Additional provision due to Covid-19 and onetime restructuring	-	-	-	-
Amounts written off	(49.5)	(38.8)	(115.4)	(203.7)
Gross carrying amount closing balance	**539.2**	**776.2**	**853.3**	**2168.7**

(₹ in Million)

Particulars	**For the nine months ended December 31, 2022**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	**354.7**	**817.0**	**535.3**	**1,707.0**
New assets added during the period	134.1	-	-	134.1
Assets derecognised under direct assignment	(27.8)	-	-	(27.8)
Repayment of Loans (excluding write offs)	(47.5)	(86.1)	(57.7)	(191.3)
Transfers to / from Stage 1	4.0	(3.0)	(1.0)	-
Transfers to / from Stage 2	(236.1)	251.2	(15.1)	-
Transfers to / from Stage 3	(121.6)	(345.0)	466.6	-
Impact on period end ECL of exposures transferred between stages during the period	407.9	121.0	165.0	693.9
Additional provision due to Covid-19 and onetime restructuring	-	-	-	-
Amounts written off	(28.3)	(11.5)	(353.6)	(393.4)
Gross carrying amount closing balance	**439.4**	**743.6**	**739.5**	**1,922.5**

(₹ in Million)

Particulars	**For the year ended March 31, 2023**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Gross carrying amount opening balance	**354.7**	**817.0**	**535.3**	**1,707.0**
New assets added during the year	230.0	-	-	230.0
Assets derecognised under direct assignment	(49.2)	-	-	(49.2)

Notes to restated consolidated financial information

Particulars	For the year ended March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Repayment of Loans (excluding write offs)	(79.1)	(124.8)	(100.1)	(304.0)
Transfers to / from Stage 1	5.3	(3.9)	(1.4)	-
Transfers to / from Stage 2	(246.5)	268.4	(21.8)	0.1
Transfers to / from Stage 3	(87.2)	(233.6)	320.8	-
Impact on year end ECL of exposures transferred between stages during the year	416.1	82.7	165.3	664.1
Additional provision due to Covid-19 and onetime restructuring	9.0	16.4	4.5	29.9
Amounts written off	(23.7)	(47.4)	(345.8)	(416.9)
Gross carrying amount closing balance	**529.4**	**774.8**	**556.8**	**1,861.0**

(₹ in Million)

Particulars	For the year ended March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**244.2**	**795.6**	**433.6**	**1,473.4**
New assets added during the year	123.7	-	-	123.7
Assets derecognised under direct assignment	(23.9)	-	-	(23.9)
Repayment of Loans (excluding write offs)	(42.7)	(62.6)	(62.6)	(167.9)
Transfers to / from Stage 1	5.7	(5.3)	(0.4)	-
Transfers to / from Stage 2	(329.3)	330.7	(1.4)	-
Transfers to / from Stage 3	(137.9)	(208.1)	346.0	-
Impact on year end ECL of exposures transferred between stages during the year	528.7	(282.6)	216.0	462.1
Additional provision due to Covid-19 and onetime restructuring	-	251.4	-	251.4
Amounts written off	(13.8)	(2.1)	(395.9)	(411.8)
Gross carrying amount closing balance	**354.7**	**817.0**	**535.3**	**1,707.0**

(₹ in Million)

Particulars	For the year ended March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**410.0**	**355.1**	**254.9**	**1,020.0**
New assets added during the year	85.1	-	-	85.1
Assets derecognised under direct assignment	(13.9)	-	-	(13.9)
Repayment of Loans (excluding write offs)	(16.3)	(9.7)	(43.1)	(69.1)
Transfers to / from Stage 1	2.3	(2.3)	-	-
Transfers to / from Stage 2	(566.9)	570.7	(3.8)	-
Transfers to / from Stage 3	(26.8)	(179.9)	206.7	-
Impact on year end ECL of exposures transferred between stages during the year	370.7	(45.4)	13.1	338.4
Additional provision due to Covid-19 and onetime restructuring	-	107.1	-	107.1
Amounts written off	-	-	5.8	5.8
Gross carrying amount closing balance	**244.2**	**795.6**	**433.6**	**1,473.4**

Notes to restated consolidated financial information

Note: Above includes Expected Credit Loss provision on Loan commitment:

(₹ in Million)

Particulars	As at December 31, 2023	As at December 30, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision towards Loan Commitments	18.5	13.0	21.4	9.3	4.5

b) Loans to Developers

The table below shows the credit quality and the exposure to credit risk based on the period-end stage classification. The amounts presented are gross of impairment allowances.

As at December 31, 2023

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	-	-	-
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 - Credit-impaired assets	Loan	-	-	-

As at December 31, 2022

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	-	-	-
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 - Credit-impaired assets	Loan	-	-	-

As at March 31, 2023

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	-	-	-
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 - Credit-impaired assets	Loan	-	-	-

As at March 31, 2022

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	-	-	-

Notes to restated consolidated financial information

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 - Credit-impaired assets	Loan	11.0	11.0	-

As at March 31, 2021

(₹ in Million)

Particulars	Asset category	Gross Carrying Amount	Expected Credit Loss	Net Carrying Amount
Stage 1 – High quality assets	Loan	18.8	5.0	13.8
Stage 2 – Assets for which there is significant increase in credit risk	Loan	-	-	-
Stage 3 - Credit-impaired assets	Loan	-	-	-

Reconciliation of Loan balances is given below:

(₹ in Million)

Particulars	For the nine months ended December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**-**	**-**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(57.7)	(57.7)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Amounts (written off) / recovery from write offs	-	-	57.7	57.7
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

(₹ in Million)

Particulars	For the nine months ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**11.0**	**11.0**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(56.0)	(56.0)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Amounts (written off) / recovery from write offs	-	-	45.0	45.0
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

(₹ in Million)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**11.0**	**11.0**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(78.2)	(78.2)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-

Notes to restated consolidated financial information

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Amounts (written off) / recovery from write offs	-	-	67.2	67.2
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

(₹ in Million)

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**18.8**	**-**	**-**	**18.8**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(172.2)	-	-	(172.2)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	(11.0)	-	11.0	-
Amounts (written off) / recovery from write offs	164.4	-	-	164.4
Gross carrying amount closing balance	**-**	**-**	**11.0**	**11.0**

(₹ in Million)

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**25.4**	**100.0**	**321.9**	**447.3**
New assets added during the year				
Repayment of Loans (excluding write offs)	(6.6)	(31.7)	(94.0)	(132.3)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Amounts written off	-	(68.3)	(227.9)	(296.2)
Gross carrying amount closing balance	**18.8**	**-**	**-**	**18.8**

Reconciliation of ECL balance is given below:

(₹ in Million)

Particulars	For the nine months ended December 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**-**	**-**
New assets added during the period	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(57.7)	(57.7)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Impact on period end ECL of exposures transferred between stages during the period	-	-	57.7	57.7
Amounts (written off) / recovery from write offs	-	-	-	-
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

(₹ in Million)

Particulars	For the nine months ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**11.0**	**11.0**
New assets added during the period	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(56.0)	(56.0)
Transfers to / from Stage 1	-	-	-	-

Notes to restated consolidated financial information

Particulars	For the nine months ended December 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Impact on period end ECL of exposures transferred between stages during the period	-	-	56.0	56.0
Amounts (written off) / recovery from write offs	-	-	(11.0)	(11.0)
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

(₹ in Million)

Particulars	March 31, 2023			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**-**	**-**	**11.0**	**11.0**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	-	-	(78.2)	(78.2)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	-	-	78.2	78.2
Amounts (written off) / recovery from write offs	-	-	(11.0)	(11.0)
Gross carrying amount closing balance	**-**	**-**	**-**	**-**

(₹ in Million)

Particulars	March 31, 2022			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5.0**	**-**	**-**	**5.0**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(164.4)	-	-	(164.4)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	11.0	11.0
Impact on year end ECL of exposures transferred between stages during the year	(5.0)	-	-	(5.0)
Amounts (written off) / recovery from write offs	164.4	-	-	164.4
Gross carrying amount closing balance	**-**	**-**	**11.0**	**11.0**

(₹ in Million)

Particulars	March 31, 2021			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**2.6**	**31.8**	**216.5**	**250.9**
New assets added during the year	-	-	-	-
Repayment of Loans (excluding write offs)	(0.7)	(10.1)	(63.2)	(74.0)
Transfers to / from Stage 1	-	-	-	-
Transfers to / from Stage 2	-	-	-	-
Transfers to / from Stage 3	-	-	-	-
Impact on year end ECL of exposures transferred between stages during the year	3.1	46.6	89.7	139.4
Amounts written off	-	(68.3)	(243.0)	(311.3)
Gross carrying amount closing balance	**5.0**	**-**	**-**	**5.0**

Notes to restated consolidated financial information

Note: Above includes Expected Credit Loss provision on Loan commitment amount to Nil Million.

Impairment allowance for loan against fixed deposit is Nil and therefore related disclosures are not given in the financial statement.

c) Group monitors Gross NPAs on Assets under Company's management ("AUM") and Own Book at retail and overall basis.

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
AUM	1,98,651.6	1,65,664.6	1,72,228.3	1,47,777.9	1,33,271.0
GNPA on AUM	2,778.5	2,920.8	1,997.7	2,154.5	1,430.3
GNPA on AUM (%)	1.4%	1.8%	1.2%	1.5%	1.1%
Retail AUM	1,98,651.6	1,65,664.6	1,72,228.3	1,47,766.9	1,33,252.2
GNPA on Retail AUM (Gross Retail NPA)	2,778.5	2,920.8	1,997.7	2,143.5	1,430.3
GNPA on Retail AUM (Gross Retail NPA) (%)	1.4%	1.8%	1.2%	1.5%	1.1%
Own Book	1,60,036.7	1,35,042.9	1,39,410.4	1,20,480.9	1,07,802.3
GNPA on Own Book	2,308.1	2,402.4	1,625.9	1,825.7	1,307.1
GNPA on Own Book (%)	1.4%	1.8%	1.2%	1.5%	1.2%
Retail Own Book	1,60,036.7	1,35,042.9	1,39,410.4	1,20,469.9	1,07,783.5
GNPA on Retail Own Book	2,308.1	2,402.4	1,625.9	1,814.7	1,307.1
GNPA on Retail Own Book (%)	1.4%	1.8%	1.2%	1.5%	1.2%

Loan Assets not more than 90 DPD which have been classified as NPA as per the RBI circular dated 12th November, 2021 in above table :-

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022
GNPA on AUM	59.1	198.5	70.5	395.4
GNPA on AUM (%)	0.0%	0.1%	0.0%	0.3%
GNPA on Retail AUM (Gross Retail NPA)	59.1	198.5	70.5	395.4
GNPA on Retail AUM (Gross Retail NPA) (%)	0.0%	0.1%	0.0%	0.3%
GNPA on Own Book	52.2	168.6	58.9	328.1
GNPA on Own Book (%)	0.0%	0.1%	0.0%	0.3%
GNPA on Retail Own Book	52.2	168.6	58.9	328.1
GNPA on Retail Own Book (%)	0.0%	0.1%	0.0%	0.3%

Note :

1. Assets repossessed under SARFAESI are included in above disclosure in respective items.
2. The amount mentioned above of 'Own Book' excludes EIR, Interest accrued on loans and loans against Fixed Deposits.

39. Capital Management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

Notes to restated consolidated financial information

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents and Liquid investments) divided by Total 'equity' (as shown in the balance sheet) and Capital adequacy ratio.

Particulars	**As at December 31, 2023**	**As at December 31, 2022**	**As at March 31, 2023**	**As at March 31, 2022**	**As at March 31, 2021**
Total Borrowings (₹ in Million)	1,31,275.9	1,17,154.7	1,21,534.5	1,06,745.9	1,03,744.7
Total Net Borrowings (₹ in Million)	1,19,021.4	1,00,425.8	1,02,343.1	88,227.3	77,301.1
Total Equity (₹ in Million)	42,491.6	35,557.4	36,976.6	31,466.9	26,928.2
Gross Debt Equity Ratio	3.1	3.3	3.3	3.4	3.9
Net Debt Equity Ratio	2.8	2.8	2.8	2.8	2.9

Total Borrowing includes Debt securities, Borrowings (other than debt securities), Deposits and Subordinated liabilities.

Total net borrowing = Total borrowings – Cash and Cash Equivalents – Investment in Liquid Mutual fund – Receivable from Mutual Fund

The Parent Company is required to maintain the CRAR of 15% as required by RBI and NHB. Further company is required to maintain borrowing not exceeding 12 times of Net Owned Fund.

Below are the details of CRAR and other ratio maintained and calculated as per NHB guidelines in the respective year by the Parent Company and as per regulatory return filed with NHB in respective year.

Particulars	**For the nine months ended December 31, 2023**	**For the nine months ended December 31, 2022**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Risk weighted Assets (₹ in Million)	99,707.8	79,794.0	83,391.3	70,243.2	62,454.9
Net owned funds (Tier I Capital) (₹ in Million)	38,833.0	34,995.7	34,741.7	31,050.1	26,621.8
Tier II Capital (₹ in Million)	779.2	799.4	889.4	846.7	909.2
CRAR	39.7%	44.9%	42.7%	45.4%	44.1%
% Variance of CRAR	(3.0%)	(0.6%)	(2.7%)	3.0%	(14.3)%
CRAR-Tier I Capital	38.9%	43.9%	41.7%	44.2%	42.6%
% Variance of CRAR-Tier I Capital	(2.8%)	(0.3%)	(2.5%)	3.7%	(13.2%)
CRAR- Tier II Capital	0.8%	1.0%	1.1%	1.2%	1.5%
% Variance of CRAR-Tier II Capital	(0.3%)	(0.2%)	(0.1%)	(17.1%)	(37.9%)#
Amount of subordinated debt qualified as Tier-II Capital (₹ in Million)	240.0	360.0	360.0	492.0	660.0
Amount raised by issue of perpetual debt instruments	Nil	Nil	Nil	Nil	Nil
Liquidity Coverage Ratio **	145.3%	160.8%	166.4%	70.1%	Not Applicable on the reporting date

1. CRAR (Capital Risk Adjusted Ratio) = [Net owned fund and Tier II Capital / Risk Weighted Assets]
2. CRAR (Capital Risk Adjusted Ratio) -Tier I Capital = [Net owned fund / Risk Weighted Assets]
3. CRAR (Capital Risk Adjusted Ratio) -Tier II Capital = [Tier II Capital / Risk Weighted Assets)
4. Liquidity Coverage Ratio = [Stock of High Quality Liquid Assets / Total net cash outflow required in next 30 calendar days]

Notes to restated consolidated financial information

Reduction in CRAR-Tier II Capital is due to reduction in Amount of subordinated debt qualified as Tier-II Capital
**Liquidity Coverage Ratio requirement applicable from December 1, 2021 to the Parent Company as per Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 circular no RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February 17, 2021.

40. Segment reporting

The Group operates only in one Operating Segment i.e Housing Finance business - Financial Services and all other activities are incidental to the main business activity, hence have only one reportable Segment as per Indian Accounting Standard 108 "Operating Segments". The reportable business segments are in line with the segment wise information which is being presented to the CODM. The Group has identified Managing Director and CEO as CODM.

The Group has its operations within India and all revenue is generated within India.

41. Employee benefits

41.1 Defined Contribution Plan

The Group makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Contribution to provident fund	51.1	39.1	54.3	43.7	38.3
Contribution to pension fund	56.0	44.2	62.4	51.8	47.3
Contribution to new pension scheme	4.1	3.5	4.7	4.0	3.2
Contribution to ESIC	8.8	7.8	11.2	10.9	8.8

41.2 Defined Benefit Plan

The Group provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The gratuity plan typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yield at the end of reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit.

Notes to restated consolidated financial information

Interest risk:
A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:
The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table sets out the funded status of the Gratuity and the amount recognised in the Financial Statements:

i. Changes in Defined Benefit Obligation

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Liability at the beginning of the year	158.9	132.7	132.7	115.6	91.3
Current service cost	37.6	28.8	38.3	34.5	27.2
Interest cost	8.3	6.7	8.9	7.5	5.8
Plan Amendment Cost	-	-	-	-	-
Actuarial (gain) / loss – experience	(5.2)	(8.3)	(7.6)	(15.1)	(4.0)
Actuarial (gain) / loss - demographic assumptions	-	-	-	-	-
Actuarial (gain) / loss - financial assumptions	1.6	(4.3)	(2.9)	(4.0)	-
Benefits paid	(9.0)	(7.0)	(10.5)	(5.8)	(4.7)
Liability at the end of the year	192.2	148.6	158.9	132.7	115.6

ii. Changes in Fair Value of Plan Assets

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Plan Assets at the beginning of the year	71.8	69.5	69.5	66.3	61.6
Expected return on plan assets	3.9	3.6	4.9	4.4	4.1
Actuarial Gain/(Loss)	(0.1)	(2.3)	(2.6)	(1.2)	0.6
Employer Contribution	-	-	-	-	-

Notes to restated consolidated financial information

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Plan Assets at the end of the year	75.6	70.8	71.8	69.5	66.3

iii. Reconciliation of Fair Value of Assets and Obligations

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Fair value of Plan Assets	75.6	70.8	71.8	69.5	66.3
Present Value of Obligation	192.2	148.6	158.9	132.7	115.6
Amount Recognised in Balance Sheet	(116.6)	(77.8)	(87.1)	(63.2)	(49.3)

iv. Expenses recognised in Statement of Profit and Loss

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Service Cost	37.6	28.8	38.3	34.5	27.2
Net interest on net defined benefit liability / (asset)	4.4	3.1	4.1	3.1	1.8
Plan amendment cost / Direct payment	-	-	-	-	-
Expenses recognised in the statement of profit and loss under employee benefits expenses	42.0	31.9	42.4	37.6	29.0

v. Expenses recognised in Statement of Other Comprehensive Income

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Actuarial (gain) / loss arising during year	(3.5)	(10.3)	(7.9)	(17.9)	(4.6)
Expenses recognised in the other comprehensive income	(3.5)	(10.3)	(7.9)	(17.9)	(4.6)

vi. Expected benefit payments

(₹ in Million)

Particulars	As at December 31, 2023
December 31, 2024	13.5
December 31, 2025	13.6
December 31, 2026	16.8
December 31, 2027	23.7
December 31, 2028	33.0
December 31, 2029 to December 31, 2033	263.5

vii. Expected Employer Contributions in next 12 months is Rs. 116.6 Million

viii. Weighted average duration of defined benefit obligation is 9 years.

ix. Actuarial Assumptions

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Mortality Table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Discount Rate	7.1%	7.3%	7.2%	7.0%	6.7%
Salary Escalation Rate	9.5%	9.5%	9.5%	9.5%	9.5%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary and this has been relied upon by the auditors.

The expected rate of return on plan asset is determined considering several applicable factors, mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Group's policy for plan assets management.

Effect of change in assumptions As at December 31, 2023

(₹ in Million)

Particulars	Plan Liabilities
Discount Rate (increase by 0.5%)	(8.8)
Discount Rate (decrease by 0.5%)	9.5
Salary Escalation Rate (increase by 0.5%)	8.3
Salary Escalation Rate (decrease by 0.5%)	(7.8)

Notes to restated consolidated financial information

x. Amount recognised in current year and previous years

Gratuity:

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Defined benefit obligation	192.2	148.6	158.9	132.7	115.6
Fair value of plan asset	75.6	70.8	71.8	69.5	66.3
(Surplus)/ Deficit in the plan	116.6	77.8	87.7	63.2	49.3
Actuarial (gain)/loss on plan obligation	(3.6)	(12.6)	(10.5)	(19.1)	(4.0)
Actuarial gain/(loss) on plan asset	(0.1)	(2.3)	(2.6)	(1.2)	0.6

Plan Assets

Plan asset composition	As at December 31, 2022	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Schemes of Insurance –conventional products	2.7%	2.7%	2.7%	2.6%	2.5%
Schemes of Insurance –ULIP Product	97.3%	97.3%	97.3%	97.4%	97.5%

42. Employee stock appreciation rights and Employees Stock Option

a) Employee Stock Option Plan 2018 (ESOP 2018) [Erstwhile 'Employee Stock Appreciation Rights Plan 2018 ("ESAR 2018" / "Plan")]

ESAR 2018 was approved by the shareholders of the Parent Company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on March 26, 2018.

Movement in ESARs

Particulars	For the nine months ended December 31, 2023 (Nos)	For the nine months ended December 31, 2022 (Nos)	For the year ended March 31, 2023 (Nos)	For the year ended March 31, 2022 (Nos)	For the year ended March 31, 2021 (Nos)
Opening	19,69,286.3	19,69,286.3	19,69,286.3	19,69,286.3	1,98,992.5
Granted during the year	-	-			-
Adjustment for Bonus Issue (refer note below)	-	-	-	-	17,90,932.3
Lapsed during the year/period	103,741.2	-	-	-	8,255.4
Exercised by employee*	-	-	-	-	12,383.1
Rounding off	**(0.1)**				
Closing	**18,65,545**	**19,69,286.3**	**19,69,286.3**	**19,69,286.3**	**19,69,286.3**
Vested as at period end	**18,65,545**	**19,69,286.3**	**19,69,286.3**	**19,69,286.3**	**11,81,571.8**
Unvested as at period end	**-**	**-**	**-**	**-**	**7,87,714.5**

* Exercised by employee pending for decision by Nomination and remuneration committee on allotment.

Notes to restated consolidated financial information

Note: The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of Rs. 10 each for each existing equity share of the face value of Rs. 10 each on January 16, 2021 in extraordinary general meeting (EGM).

ESAR were granted at the Price of ₹ 291.7 which was the fair value on the grant date.

The key assumptions used to estimate the fair value of ESARs are:

Particulars	**ESAR 2018**
Dividend yield	2.4%
Expected Life	3 Years
Risk free interest rate	7.5%
Volatility	0.0%
Model Used	Black & Scholes

The expense arises from equity settled ESARs:-

(₹ in Million)

Particulars	**For the nine months ended December 31, 2023**	**For the nine months ended December 31, 2022**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
ESAR Expenses	-	-	-	-	2.5

ESAR 2018 was renamed to Employee Stock Option Plan 2018 (ESOP 2018) and the ESARs outstanding as at January 18, 2024 were converted to ESOPs, with no change in terms and conditions related to exercise price and vesting conditions. The above change was approved by the Nomination and Remuneration Committee at its meeting held on January 18, 2024, Board at its meeting held on January 21, 2024 and is approved by the shareholders' at the extra-ordinary general meeting held on January 24, 2024.

b) Employee stock option plans (ESOPS)

Employee Stock Option Plan 2020 ("ESOP Plan 2020")

ESOP Plan 2020 was approved by the shareholders of the company and subsequently the Grant was approved by the Board and the Nomination and Remuneration Committee at its meeting held on May 05, 2020 with the grant date of December 31, 2020 & meeting held on January 16, 2021 with the grant date of January 16, 2021. Details of ESOP Plan 2020 granted are as follows:

Particulars	**ESOP Plan 2020 – March 2020**	**ESOP Plan 2020 – January 2021**	**ESOP Plan 2020 – September 2021**	**ESOP Plan 2020 – August 2023 & November 2023**
Scheme Name	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020	Employee Stock Option Plan 2020
No. of options approved	12,00,000*****	6,15,460	18,79,549	16,35,035 & 2,00,000
Date of Grant	March 31, 2020	January 16, 2021	September 22, 2021	August 09, 2023 & November 07, 2023
No of options granted	10,44,395*****	6,15,460	18,79,549	15,57,692 & 2,00,000
Exercise Price (Rs)	908.05*****	90.805	90.805	147.5
Method of Settlement	Equity	Equity	Equity	Equity
Time Based	20% each year in next	20% each year in next	20% each year in next	20% each year in next

Notes to restated consolidated financial information

Particulars	ESOP Plan 2020 – March 2020	ESOP Plan 2020 – January 2021	ESOP Plan 2020 – September 2021	ESOP Plan 2020 – August 2023 & November 2023
Eligibility	Five years.	Five years.	Five years.	Five years.
Vesting Schedule	Eligible options will vest in 60%, 20% and 20% in on Eligibility date, 1st year from eligibility date and 2nd year from eligibility date respectively	Eligible options will vest in 60%, 20% and 20% in on Eligibility date, 1st year from eligibility date and 2nd year from eligibility date respectively	Eligible options will vest in 60%, 20% and 20% in on Eligibility date, 1st year from eligibility date and 2nd year from eligibility date respectively	Eligible options will vest in 60%, 40% in on Eligibility date, 1st year from eligibility date
Condition	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.	1. All eligible options will vest subject to BCP Topco VII Pte. Ltd. Realising minimum net consideration cumulatively from the sale of the Shares held 2. Proportion of eligible option vesting to extent of sale by BCP Topco VII Pte. Ltd.
Exercise period	2 Years from Vesting	2 Years from Vesting	2 Years from Vesting	2 Years from Vesting
Weighted Average Share Price	908.05	90.805	90.805	147.5

* ESOP Plan 2020 – March 2020 disclosure doesn't include the impact **of** bonus issue of equity shares of the Company in the ratio of nine shares of face value of Rs. 10 each for each existing equity share of the face value of Rs. 10 each on 16th January 2021 in extraordinary general meeting (EGM).

Computation of fair value of options

The Black-Scholes Model has been used for computing the weighted average fair value considering the following:

Particulars	ESOP Plan 2020 (March 31, 2020)	ESOP Plan 2020 (January 16, 2021)	ESOP Plan 2020 (September 22, 2021)	ESOP Plan 2020 (August 09, 2023 & November 07, 2023)
Fair value of the option (Rs)	Rs 96 to Rs 333	Rs 28.2 to Rs 51.9	Rs 28.8 to Rs 51.6	Rs 22 to Rs 66.7
Fair value of share on the date of grant (Rs)	908.1	110.0	111.1	147.5
Exercise Price(Rs)	908.05	90.805	90.805	147.5
Expected Life	3 years to 9 years	3 years to 9 years	3 years to 9 years	3 years to 9 years
Expected Volatility (%)	9.7% to 12.7%	15.6% to 22.1%	15.2% to 22.0%	11.8% to 14.9%
Life of the Option (years)	3 years to 9 years	3 years to 9 years	3 years to 9 years	3 years to 9 years
Risk Free rate of return (%)	5.2% to 6.7%	4.0% to 6.6%	3.9% to 6.3%	7.1% to 7.3%
Expected dividend rate (%)	0.8%	0.6%	0.6%	0.0%

Notes to restated consolidated financial information

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may actually occur. Further, the condition of specified sale of the shares held by the investor is estimated to be fulfilled on the relevant eligibility dates.

Movement in ESOPs

Particulars	For the nine months ended December 31, 2023 (Nos)	For the nine months ended December 31, 2022 (Nos)	For the year ended March 31, 2023 (Nos)	For the year ended March 31, 2022 (Nos)	For the year ended March 31, 2021 (Nos)
Opening	1,01,98,847	1,11,50,433	1,11,50,433	1,07,02,850	10,44,395
Adjustment for bonus issue (refer note below)	-	-	-	-	93,99,555
Granted during the period	17,57,692	-	-	18,79,549	6,15,460
Lapsed during the period	7,05,789	7,12,870	9,51,586	14,31,966	3,56,560
Closing	**1,12,50,750**	**1,04,37,563**	**1,01,98,847**	**1,11,50,433**	**1,07,02,850**
Vested as at period end	-	-	-	-	-
Unvested as at period end	**1,12,50,750**	**1,04,37,563**	**1,01,98,847**	**1,11,50,433**	**1,07,02,850**

Note: The shareholders vide a special resolution have approved bonus issue of equity shares of the Company in the ratio of nine shares of face value of Rs. 10 each for each existing equity share of the face value of Rs. 10 each on January 16, 2021 in extraordinary general meeting (EGM).

The expense arises from equity settled ESOPs transaction :-

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
ESOP expenses	33.6	42.2	56.3	76.7	58.7

43. Foreign currency transactions

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Foreign business travel	1.1	-	26.3	0.3	-
Total	**1.1**	**-**	**26.3**	**0.3**	**-**

44. a) Related party transactions

List of related parties with whom transactions have taken place during the years and relationship:

Sr. No	Relationship	Name of Related Party
1.	Holding Company	BCP Topco VII Pte. Ltd.
2.	Key Management Personnel	O P Bhatt - Chairman and Director
		Sharmila Karve – Director (w.e.f – December 15, 2020)
		Deo Shankar Tripathi - Managing Director and CEO (upto December 04, 2022)

Notes to restated consolidated financial information

Sr. No	Relationship	Name of Related Party
		- Executive Vice Chairman (w.e.f. January 03, 2023)
		Rishi Anand - Managing Director and CEO (w.e.f. January 03, 2023)
		Amit Dixit - Director
		Mukesh G Mehta – Director
		Neeraj Mohan – Director (upto July 13, 2021)
		Shri. Sridar Venkatesan (upto April 1, 2020)
		Dr. Nivedita Haran – Director
		Prateek Roongta – Non-Executive Director (w.e.f. January 20, 2023)
		Sharmila Abhay Karve – Independent Director (w.e.f. December 15, 2020)
		Rajesh Viswanathan – Chief Financial Officer
		Sreekanth VN – Company Secretary (upto December 31, 2023)
		Harshada Pathak – Company Secretary (w.e.f. October 01, 2023)

Transactions with Related Parties:

(₹ in Million)

Name	Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Income :						
Rishi Anand – Managing Director and CEO (From January 3, 2023)	Interest Income on Housing Loan	0.4	-	0.1	-	-
Rajesh Viswanathan- CFO	Interest Income on Housing Loan	0.3	-	-	-	-
Expenditure:						
Deo Shankar Tripathi – Managing Director and CEO	Remuneration	28.0	18.4	25.0	23.6	21.9
Interest paid on Fixed Deposit held by relative of the Managing Director (Suman Deo Tripathi)	Interest Expense	-	0.0*	0.0*	0.1	-
Interest paid on Fixed Deposit held by relative of the Managing Director & CEO	Interest Expense	-	-	-	0.2	-
Rishi Anand – Managing Director and CEO (From January 3, 2023)	Remuneration	25.1	-	4.0	-	-

Notes to restated consolidated financial information

Name	Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Rajesh Viswanathan – Chief Financial Officer	Remuneration	24.2	15.6	19.5	18.6	17.4
Sreekanth VN – Company Secretary (upto September 30, 2023)	Remuneration	5.7	6.1	7.7	6.6	6.2
Harshada Pathak – Company Secretary (w.e.f. October 01, 2023)	Remuneration	1.2	-	-	-	-
Others:						
Rajesh Viswanathan – Chief Financial Officer	Housing Loan given	30.0	-	-	-	-

Amount shown above are till the date related party relationship was not terminated.

Compensation of key management personnel of the Company

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Short–term employee benefits	82.0	38.7	54.1	47.0	43.8
Post–employment pension (defined contribution)	2.2	1.4	2.1	1.8	1.7
Termination benefits	-	-	-	-	-
Sitting fee and commission	10.6	11.6	15.4	14.6	12.1
Total	**94.8**	**51.7**	**71.6**	**63.4**	**57.6**

Balances with Related Parties:

(₹ in Million)

Name	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Rishi Anand – Managing Director and CEO	Housing Loan	11.6	-	12.0	-	-
Rajesh Viswanathan-CFO	Housing Loan	29.2	-	-	-	-
Directors Commission & Sitting fees	Payable	11.5	9.0	11.6	12.0	9.6

Name	Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Deo Shankar Tripathi	Fixed Deposit (including accrued interest)	-	-	-	2.6	5.1
Deo Shankar Tripathi	Debt securities	-	-	-	-	1.3

b) On Consolidation following transactions and balances with Aadhar Sales and Services Private Limited – Subsidiary Company has been eliminated:

Transactions

(₹ in Million)

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Business sourcing expenses paid to subsidiary company	451.6	333.9	509.8	400.3	303.2
Recovery of expense from subsidiary company	-	-	-	0.1	-
Rent income from subsidiary company	0.2	0.2	0.2	0.2	0.2

Balances

(₹ in Million)

Particulars	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Investment in subsidiary company	0.1	0.1	0.1	0.1	0.1
Deposit receivable from subsidiary company	-	-	-	-	4.0
Payable to subsidiary company	-	-	-	-	-
Receivable from subsidiary company	0.0*	-	0.0*	0.0*	0.0*

* Less than Rs 50,000

45. Scheme for Grant of Ex-gratia

The Government of India has announced the Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020) (the 'Scheme') on October 23, 2020, which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions by November 5, 2020.

The Scheme is applicable to the borrowers of the company. Under the said scheme, the Company has credited the ex-gratia amount of Rs 211.8 Million to borrower's accounts by November 5, 2020.

The Company has received Rs. 158.0 Million against ex gratia credit to customers during the year ended March 31, 2021 and Rs. 53.8 Million during the year ended March 31, 2022 from the Government of India towards ex gratia credit to customers. As at March 31, 2021 Rs. 53.8 Million is receivable from the Government of India towards ex gratia credit to customers and same has been disclosed under Other Non-Financial Assets and Rs. 49.7 million has been disclosed under Other Financial Liabilities ("Amount payable under assignment of receivables") toward ex-gratia credit belongs to direct assignment.

Notes to restated consolidated financial information

The Hon'ble Supreme Court of India has pronounced its judgement in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. and other connected matters on March 23, 2021 in related to Interest on Interest during the six months.

The Reserve Bank of India vide circular no RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 directed all lending institutions to put in place a Board-approved policy to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the supreme court judgement.
Based on the RBI Circular and Supreme court judgement additional amount of Rs 0.8 Million is eligible and pending for credit to customer account as at March 31, 2021. This has been disclosed in Other Liabilities as at March 31, 2021.

46. Exceptional Items

During the year ended March 31, 2023, the Parent Company has accrued for one-time special bonus to its employees amounting to Rs 250 million that is debited to the Statement of Profit & Loss. Considering the nature, frequency, and materiality of the item it is treated as an exceptional item in the Statement of Profit & Loss.

47. A comparison between provisions required under Income Recognition, Asset classification and provision norms and impairment allowances made under Ind AS 109

As at December 31, 2023

(₹ in Million)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,52,811.8	527.0	1,52,291.1	641.2	(120.5)
	Stage 2 (Refer Note 3)	6,143.4	776.2	5,367.2	265.8	510.4
Subtotal		1,58,955.2	1,296.9	1,57,658.3	907.0	389.9
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,232.5	370.8	861.7	184.9	185.9
Doubtful - up to 1 year	Stage 3	690.9	306.1	384.7	172.7	133.4
1 to 3 years	Stage 3	374.3	167.1	207.2	149.7	17.4
More than 3 years	Stage 3	10.4	9.3	1.1	10.4	(1.1)
Subtotal for doubtful		1,075.5	482.5	593.0	332.8	149.7
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	8,603.1	18.5	8584.6	-	18.5
Subtotal		8,603.1	18.5	8,584.6	-	18.5
	Stage 1	**1,61,414.8**	**539.2**	**1,60,875.7**	**641.2**	**(102.0)**
	Stage 2	**6,143.4**	**776.2**	**5,367.2**	**265.8**	**510.4**

Notes to restated consolidated financial information

Asset Classification as per RBI Norms	Asset classificat-ion as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Total	**Stage 3**	**2,308.1**	**853.3**	**1,454.7**	**517.7**	**335.6**
	Total	**1,69,866.3**	**2,168.7**	**1,67,697.6**	**1,424.7**	**744.0**

Notes:

1. The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.
2. Interest on Net NPA amounting to INR 9.9 Million (Included in Stage 3 Sub-standard asset – Gross Carrying Amount) has been recognised under Ind AS which is not recognisable under IRACP norms.
3. Customers who has availed the benefit of One-time restructuring as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 2020 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 2020 (for restructuring of accounts of Micro, small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to Rs. 25 crores) and RBI Notification – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses) have been disclosed as Stage 2 assets under Ind AS with gross outstanding value of ₹ 3,238.0 Million. Impairment provision and provision required under IRACP is maintained at 10% as required by RBI circular.
4. The above-mentioned amount of 'Total Gross Carrying Amount as per Ind AS' excludes loan against fixed deposits and includes pending part disbursement of loans.

As at December 31, 2022

(₹ in Million)

Asset Classification as per RBI Norms	Asset classificat-ion as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,27,869.4	426.4	1,27,443.1	517.4	(91.0)
	Stage 2 (Refer Note 3)	5,742.8	743.6	4,999.2	317.3	426.3
Subtotal		1,33,612.3	1,170.0	1,32,442.3	834.7	335.3
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,688.2	459.0	1229.2	252.6	206.4
Doubtful - up to 1 year	Stage 3	701.1	275.2	425.8	175.3	100.0
1 to 3 years	Stage 3	11.8	4.8	7.0	4.7	0.1
More than 3 years	Stage 3	1.2	0.5	0.7	1.2	(0.7)
Subtotal for doubtful		714.2	280.5	433.6	181.2	99.3
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset	Stage 1	6,455.2	13.0	6,442.2	-	13.0

Notes to restated consolidated financial information

Asset Classification as per RBI Norms	Asset classificat-ion as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Classification and Provisioning (IRACP) norms						
Subtotal		6,455.2	13.0	6,442.2	-	13.0
	Stage 1	**1,34,324.7**	**439.4**	**1,33,885.3**	**517.4**	**(78.0)**
	Stage 2	**5,742.8**	**743.6**	**4,999,2**	**317.3**	**426.3**
Total	**Stage 3**	**2,402.4**	**739.5**	**1,662.9**	**433.9**	**305.7**
	Total	**1,42,469.9**	**1,922.5**	**1,40,547.4**	**1,268.6**	**654.0**

Notes:
1. The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.
2. Interest on Net NPA amounting to INR 9.9 Million (Included in Stage 3 Sub-standard asset – Gross Carrying Amount) has been recognised under Ind AS which is not recognisable under IRACP norms.
3. Customers who has availed the benefit of One-time restructuring as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 2020 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 2020 (for restructuring of accounts of Micro, small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to Rs. 25 crores) and RBI Notification – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses) have been disclosed as Stage 2 assets under Ind AS with gross outstanding value of ₹ 3,238.0 Million. Impairment provision and provision required under IRACP is maintained at 10% as required by RBI circular.
4. The above-mentioned amount of 'Total Gross Carrying Amount as per Ind AS' excludes loan against fixed deposits and includes pending part disbursement of loans.

As at March 31, 2023

(₹ in Million)

Asset Classification as per RBI Norms	Asset classificat-ion as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,32,943.9	508.0	1,32,435.9	556.1	(48.1)
	Stage 2 (Refer Note 3)	5,805.7	774.8	5,030.9	324.9	449.8
Subtotal		**1,38,749.6**	**1,282.7**	**1,37,466.8**	**881.0**	**401.7**
Non-Performing Assets (NPA)						

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Notes to restated consolidated financial information

Asset Classification as per RBI Norms	Asset classificat-ion as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	**2**	**3**	**4**	**(5)=(3)-(4)**	**6**	**(7) = (4)-(6)**
Substandard	Stage 3	1,026.4	287.1	739.3	154.0	133.1
Doubtful - up to 1 year	Stage 3	427.9	186.0	241.9	107.0	79.0
1 to 3 years	Stage 3	170.4	83.1	87.3	68.2	15.0
More than 3 years	Stage 3	1.3	0.6	0.7	1.3	(0.7)
Subtotal for doubtful		**599.5**	**269.7**	**329.8**	**176.4**	**93.3**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	9,007.1	21.4	8,985.6	-	21.4
Subtotal		**9,007.1**	**21.4**	**8,985.6**	**-**	**21.4**
	Stage 1	**1,41,951.0**	**529.4**	**1,41,421.6**	**556.1**	**(26.7)**
	Stage 2	**5,805.7**	**774.8**	**5,030.9**	**324.9**	**449.8**
Total	**Stage 3**	**1,625.9**	**556.8**	**1,069.1**	**330.4**	**226.4**
	Total	**1,49,382.5**	**1,861.0**	**1,47,521.6**	**1,211.4**	**649.6**

Notes:

1. The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.
2. Interest on Net NPA amounting to INR 10.8 Million (Included in Stage 3 Sub-standard asset – Gross Carrying Amount) has been recognised under Ind AS which is not recognisable under IRACP norms.
3. Customers who has availed the benefit of One-time restructuring as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 2020 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 2020 (for restructuring of accounts of Micro, small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to Rs. 25 crores) and RBI Notification – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses) have been disclosed as Stage 2 assets under Ind AS with gross outstanding value of ₹ 3,131.1 Million. Impairment provision and provision required under IRACP is maintained at 10% as required by RBI circular.

The above mentioned amount of ‘Total Gross Carrying Amount as per Ind AS’ excludes loan against fixed deposits and includes pending part disbursement of loans.

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Notes to restated consolidated financial information

As at March 31, 2022

(₹ in Million)

Asset Classification as per RBI Norms	Asset classificat-ion as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5)=(3)-(4)	6	(7) = (4)-(6)
Performing Assets						
Standard	Stage 1	1,12,973.2	345.4	1,12,627.7	437.8	(92.4)
	Stage 2 (Refer Note 3)	6,512.0	817.0	5,695.0	425.2	391.8
Subtotal		**1,19,485.2**	**1,162.4**	**1,18,322.8**	**863.1**	**299.4**
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,194.7	292.3	902.5	177.6	114.7
Doubtful - up to 1 year	Stage 3	407.4	159.7	247.6	101.8	57.9
1 to 3 years	Stage 3	217.9	87.8	130.1	87.1	0.6
More than 3 years	Stage 3	16.4	6.5	9.9	16.4	(9.9)
Subtotal for doubtful		**641.6**	**254.0**	**387.6**	**205.4**	**48.7**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	5,595.7	9.3	5,586.4	-	9.3
Subtotal		**5,595.7**	**9.3**	**5,586.4**	**-**	**9.3**
	Stage 1	**1,18,568.9**	**354.7**	**1,18,214.2**	**437.8**	**(83.1)**
	Stage 2	**6,512.0**	**817.0**	**5,695.0**	**425.2**	**391.8**
Total	**Stage 3**	**1,836.3**	**546.3**	**1,290.0**	**383.0**	**163.3**
	Total	**1,26,917.3**	**1,718.1**	**1,25,199.2**	**1,246.0**	**472.1**

Notes:

1. The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.
2. Interest on Net NPA amounting to INR 10.8 Million (Included in Stage 3 Sub-standard asset – Gross Carrying Amount) has been recognised under Ind AS which is not recognisable under IRACP norms.
3. Customers who has availed the benefit of One-time restructuring as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 2020 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 2020 (for restructuring of accounts of Micro, small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to Rs. 25 crores) and RBI Notification – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses) have been disclosed as Stage 2 assets under Ind AS with gross

Notes to restated consolidated financial information

outstanding value of ₹ 4,335.0 Million. Impairment provision and provision required under IRACP is maintained at 10% as required by RBI circular.

The above mentioned amount of 'Total Gross Carrying Amount as per Ind AS' excludes loan against fixed deposits and includes pending part disbursement of loans.

As at March 31, 2021

(₹ in Million)

Asset Classification as per RBI Norms	Asset classify-cation as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	**2**	**3**	**4**	**(5)=(3)-(4)**	**6**	**(7) = (4)-(6)**
Performing Assets						
Standard	Stage 1	99,411.2	244.7	99,166.5	371.6	(126.9)
	Stage 2 (Refer Note 3)	6,848.6	795.6	6,053.0	158.1	637.5
Subtotal		**1,06,259.8**	**1,040.3**	**1,05,219.5**	**529.7**	**510.6**
Non-Performing Assets (NPA)						
Substandard	Stage 3	**666.3**	**145.1**	**521.2**	**109.4**	**35.7**
Doubtful - up to 1 year	Stage 3	579.0	243.4	335.6	157.8	85.6
1 to 3 years	Stage 3	53.8	22.6	31.2	22.4	0.2
More than 3 years	Stage 3	51.1	22.5	28.6	51.1	(28.6)
Subtotal for doubtful		**683.9**	**288.5**	**395.4**	**231.3**	**57.2**
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	3,922.7	4.5	3,918.2	-	4.5
Subtotal		**3,922.7**	**4.5**	**3,918.2**	**-**	**4.5**
	Stage 1	**1,03,333.9**	**249.2**	**1,03,084.7**	**371.6**	**(122.4)**
	Stage 2	**6,848.6**	**795.6**	**6,053.0**	**158.1**	**637.5**
Total	**Stage 3**	**1,350.2**	**433.6**	**916.6**	**340.7**	**92.9**
	Total	**1,11,532.7**	**1,478.4**	**1,10,054.3**	**870.4**	**608.0**

Notes:

1. The provision under Expected Credit Loss Model is higher than Income Recognition and Prudential Norms.
2. Interest on Net NPA amounting to INR 43.0 million (Included in Stage 3 Sub-standard asset – Gross Carrying Amount) has been recognised under Ind AS which is not recognisable under IRACP norms.

Notes to restated consolidated financial information

3. Customers who has availed the benefit of One-time restructuring as per RBI Circular RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 2020 and RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 2020 (for restructuring of accounts of Micro, small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to Rs. 25 crores) have been disclosed as Stage 2 assets under Ind AS with gross outstanding value of ₹ 1,363.0 Million. Impairment provision and provision required under IRACP is maintained at 10% as required by RBI circular.
4. The above mentioned amount of 'Total Gross Carrying Amount as per Ind AS' excludes loan against fixed deposits and includes pending part disbursement of loans.

48. Disclosure in accordance with RBI circular number DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 related to COVID19 Regulatory Package - Asset Classification and Provisioning.

(Rs in Million)

Particulars	**As at March 31, 2021**
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3; (refer note 1 below)	6,558.7
(ii) Respective amount where asset classification benefits is extended (refer note 2 below)	862.0
(iii) Provisions made during the Q4FY2020 and Q1FY2021 in terms of paragraph 5*;	495.1
(iv) Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6.	29.2

*As per para 4 of circular, the Company being HFC has provided the additional provision as per Ind AS.

Notes:

1. Represents outstanding balance as on March 31, 2021 in borrower's accounts which were overdue but standard at February 29, 2020.
2. Amount disclosed above is calculated as on March 31, 2021 for accounts which have overdue from February 29, 2020 and availed the moratorium. Also includes the customers who have availed benefit of one-time restructuring which have overdue from February 29, 2020 and availed the moratorium.

49. Disclosures pursuant to RBI Notification – RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 06, 2020 (Resolution framework for Covid-19 related stress) and RBI Notification – RBI/2020-21/17 DOR.No.BP.BC/4/21.04.048/2020-21 dated August 06, 2020 (for restructuring of accounts of Micro, small and Medium Enterprises (MSME) sector – Restructuring of Advances having exposure less than or equal to Rs. 25 crores)

(Rs in Million)

Type of Borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where the resolution plan has been implemented under this window (in Nos)	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of implementation of the resolution plan
Housing Loans /Non Housing Loans (refer notes below)	183.2	1,356.4	-	-	75.9
Total	**183.2**	**1,356.4**	**-**	**-**	**75.9**

Notes: 1. Categorised in personal loan as per RBI Notification.
2. Includes 454 Small business Loan accounts with exposure of Rs 345.4 Million

Notes to restated consolidated financial information

3. Overall Provision as at March 31, 2021 against One Time Restructuring is Rs. 136.3 Million at 10% of total exposure

50. Disclosures pursuant to RBI Notification RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 date August 6, 2020 and – RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 05, 2021 (Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses)

(Rs in Million)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2023	Of (A) amount written off during the half-year ended March 31, 2023	Of (A) amount paid by the borrowers during the half-year ended March 31, 2023	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2023
Personal Loans (refer note below)	3,238.0	159.7	8.9	243.3	3,131.1*
Corporate persons	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**3,238.0**	**159.7**	**8.9**	**243.3**	**3,131.1***
As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

*Includes Rs 305.0 million of NPA accounts which has become standard during the half year ended March 31, 2023.

(Rs in Million)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at September 30, 2021 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended March 31, 2022	Of (A) amount written off during the half-year ended March 31, 2022	Of (A) amount paid by the borrowers during the half-year ended March 31, 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at March 31, 2022
Personal Loans (refer note below)	4,596.4	198.0	1.7	226.0	4,320.8
Corporate persons*	-	-	-	-	-
Of which MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	**4,596.4**	**198.0**	**1.7**	**226.0**	**4,320.8**
* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016					

Note : Includes loans amounting to Rs. 870.3 million where resolution process was invoked on or before September 30, 2021 and resolution plan was implemented by December 31, 2021.

AADHAR HOUSING FINANCE LIMITED
CIN U66010KA1990PLC011409

Notes to restated consolidated financial information

51. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act.

Particulars		Name of the entity in the Group	
		Parent	**Direct Subsidiary**
		Aadhar Housing Finance Limited	**Aadhar Sales and Services Private Limited**
Net assets i.e. Total Assets minus Total Liabilities	As at December 31, 2023 As % of consolidated net assets	99.9%	0.1%
	As at December 31, 2023 Amount (₹ in Million)	42,457.1	34.9
	As at December 31, 2022 As % of consolidated net assets	99.9%	0.1%
	As at December 31, 2022 Amount (₹ in Million)	35,536.9	20.9
	As at March 31, 2023 As % of consolidated net assets	99.9%	0.1%
	As at March 31, 2023 Amount (₹ in Million)	36,955.7	21.2
	As at March 31, 2022 As % of consolidated net assets	100.0%	0.0%
	As at March 31, 2022 Amount (₹ in Million)	31,453.9	13.4
	As at March 31, 2021 As % of consolidated net assets	100.0%	0.0%
	As at March 31, 2021 Amount (₹ in Million)	26,925.4	3.2
Profit after tax	For the nine months ended December 31, 2023 As % of consolidated net profit after tax	99.8%	0.2%
	For the nine months ended December 31, 2023 Amount (₹ in Million)	5,470.0	8.8
	For the nine months ended December 31, 2022 As % of consolidated net profit after tax	100.0%	(0.0%)
	For the nine months ended December 31, 2022 Amount (₹ in Million)	4,039.7	0.9
	For the year ended March 31, 2023 As % of consolidated net profit after tax	100.0%	0.0%
	For the year ended March 31, 2023 Amount (₹ in Million)	5,445.8	1.8
	For the year ended March 31, 2022 As % of consolidated net profit after tax	100.0%	0.0%
	For the year ended March 31, 2022 Amount (₹ in Million)	4,446.5	2.0
	For the year ended March 31, 2021 As % of consolidated net profit after tax	99.9%	0.1%
	For the year ended March 31, 2021 Amount (₹ in Million)	3,399.7	1.6
Other Comprehensive Income	For the nine months ended December 31, 2023 As % of consolidated net profit after tax	(84.6%)	184.6%
	For the nine months ended December 31, 2023 Amount (₹ in Million)	(2.2)	4.8
	For the nine months ended December 31, 2022 As % of consolidated net profit after tax	14.3%	85.7%
	For the nine months ended December 31, 2022 Amount (₹ in Million)	1.1	6.6

Notes to restated consolidated financial information

Particulars		Name of the entity in the Group	
		Parent	Direct Subsidiary
		Aadhar Housing Finance Limited	Aadhar Sales and Services Private Limited
	For the year ended March 31, 2023 As % of Other Comprehensive Income	(5.2%)	105.2%
	For the year ended March 31, 2023 Amount (₹ in Million)	(0.3)	6.1
	For the year ended March 31, 2022 As % of Other Comprehensive Income	39.3%	60.7%
	For the year ended March 31, 2022 Amount (₹ in Million)	5.3	8.2
	For the year ended March 31, 2021 As % of consolidated Other Comprehensive Income	105.9%	(5.9%)
	For the year ended March 31, 2021 Amount (₹ in Million)	3.6	(0.2)
Total Comprehensive Income	For the nine months ended December 31, 2023 As % of consolidated net profit after tax	99.8%	0.2%
	For the nine months ended December 31, 2023 Amount (₹ in Million)	5,467.8	13.6
	For the nine months ended December 31, 2022 As % of consolidated net profit after tax	99.8%	0.2%
	For the nine months ended December 31, 2022 Amount (₹ in Million)	4,040.8	7.5
	For the year ended March 31, 2023 As % of consolidated Total Comprehensive Income	99.9%	0.1%
	For the year ended March 31, 2023 Amount (₹ in Million)	5,445.5	7.9
	For the year ended March 31, 2022 As % of consolidated Total Comprehensive Income	99.8%	0.2%
	For the year ended March 31, 2022 Amount (₹ in Million)	4,451.8	10.2
	For the year ended March 31, 2021 As % of consolidated Total Comprehensive Income	100.0%	0.0%
	For the year ended March 31, 2021 Amount (₹ in Million)	3,403.3	1.4

52. Disclosures pursuant to RBI Notification-RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24, 2021.

a.) Details of transfer through assignment in respect of loans not in default

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Entity	NBFC (Housing Finance Company)	NBFC (Housing Finance Company)	NBFC (Housing Finance Company)	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	10,552	10,050	14,874	11,774
Amount of Loan Accounts Assigned (Rs in Million)	8,000.5	7,780.8	11,339.6	7,721.2

Notes to restated consolidated financial information

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Weighted average maturity (in Months)	182	170	174	167
Weighted average holding period (in Months)	15	23	22	29
Retention of beneficial economic interest (MRR)	10%	10%	10%	10%
Coverage of tangible security coverage	100%	100%	100%	100%

The Loans transferred are not rated as same are non-corporate borrowers.

b.) The Company has not transferred or acquired, any stressed / default loans during the year ended March 31, 2023, March 31, 2022 & nine months ended December 31, 2023 and December 31, 2022.

c.) Details of transfer through Co-lending in respect of loans not in default

Particulars	For the nine months ended December 31, 2023	For the nine months ended December 31, 2022	For the year ended March 31, 2023
Entity	NBFC (Housing Finance Company)	NBFC (Housing Finance Company)	NBFC (Housing Finance Company)
Count of Loan Accounts Assigned	3,071	303	1,201
Amount of Loan Accounts Assigned (Rs in Million)	3,306.5	386.1	1,284.4
Weighted average maturity (in Months)	216	205	207
Weighted average holding period (in Months)	3	3	4
Retention of beneficial economic interest (MRR)	20%	20%	20%
Coverage of tangible security coverage	100%	100%	100%

53. The Group periodically files returns/statements with banks and financial institution which are in agreement with books of accounts of the Group. This information has been relied upon by the auditors.

54. Registration of charges or satisfaction with Registrar of Companies are filed and paid within the statutory period for debt and borrowings issued during the nine months ended December 31, 2023 and December 31, 2022 and for the year ended March 31, 2023, March 31, 2022 and March 31,2021.

55. Money raised by way of borrowing from bank and financial institution have been applied by the Group for the purposes for which they were raised, other than temporary deployment pending application of proceeds during the nine months ended December 31, 2023 and December 31, 2022 and for the year ended March 31, 2023, March 31, 2022 and March 31,2021.

56. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder during the nine months ended December 31, 2023 and December 31, 2022 and for the year ended March 31, 2023, March 31, 2022 and March 31,2021.

57. None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

58. The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

59. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

60. The Group has not received any fund from any person(s) or entity(ies) during the nine months ended December 31, 2023 and December 31, 2022 and for the year ended March 31, 2023, March 31, 2022 and March 31,2021, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

61. There is no income surrendered or disclosed as income during the reporting periods in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

62. The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the reporting periods.

63. The financial statements for the year ended March 31, 2021 were audited by Deloitte Haskins & sells LLP and Chaturvedi SK & fellows, Chartered Accountants (Previous Auditors). The financial statements for the year ended March 31, 2023 and March 31, 2022 and for the nine months ended December 31, 2022 was audited by Walker Chandiok and Co. LLP.

Notes to restated consolidated financial information

64. Previous years/periods figures have been regrouped/re-classified wherever necessary to confirm to current period's classification. The impact of such regrouping/ re-classification are not material to the Financial Statements.

For Walker Chandiok & Co LLP	For **Kirtane & Pandit LLP**	For and on behalf of the Board of Directors	
Chartered Accountants ICAI Firm Registration No: 001076N/N500013	Chartered Accountants ICAI Firm Registration No: 105215W/W100057		
Manish Gujral Partner Membership No.: 105117	**Sandeep D Welling** Partner Membership No.: 044576	**Deo Shankar Tripathi** Executive Vice-Chairman DIN 07153794	**Rishi Anand** Managing Director & CEO DIN 02303503
Place: Mumbai Date: April 15, 2024		**Rajesh Viswanathan** Chief Financial Officer	**Harshada Pathak** Company Secretary

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at and for the year ended			As at and for the nine months ended	
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Profit/(loss) after tax attributable to equity holders **(A)** (₹ in million)	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
Weighted average number of Equity Shares outstanding during the period (in number)	39,471,461	394,754,970	394,754,970	394,754,970	394,754,970
Adjustment for Bonus Issue [7]	355,243,149	-	-	-	-
Weighted average number of Equity Shares outstanding during the period for basic EPS (in number) **(B)**	394,714,610	394,754,970	394,754,970	394,754,970	394,754,970
Weighted average number of Equity Shares outstanding during the year for diluted EPS **(C)**	406,544,000	407,140,489	406,914,448	407,040,395	407,208,489
Basic Earnings per share (in ₹) (D = A/B)	8.6	11.3	13.8	10.2	13.9
Diluted Earnings per share (in ₹) (E = A/C)	8.4	10.9	13.4	9.9	13.5
Net worth for equity shareholders (A) (₹ in million)	26,927.6	31,466.3	36,976.0	35,556.8	42,491.0
Net profit/(loss) after tax before other comprehensive income attributable to equity shareholders (B) (₹ in million)	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
Return on net worth (C = B/A)	12.6%	14.1%*	14.7%*	11.4%	12.9%
Net worth for equity shareholders (A) (₹ in million)	26,927.6	31,466.3	36,976.0	35,556.8	42,491.0
Number of Equity Shares outstanding as at period end (B)	394,754,970	394,754,970	394,754,970	394,754,970	394,754,970
Net asset value per equity share (basic) (in ₹) **(C = A/B)** (in ₹)	68.2	79.7	93.7	90.1	107.6
Profit/ (loss) for the period/year **(A)** (₹ in million)	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
Tax expense **(B)** (₹ in million)	923.8	1,225.1	1,510.6	1,122.0	1,531.0
Exceptional Items **(C)** (₹ in million)	-	-	250.0	-	-
Finance costs **(D)** (₹ in million)	8,159.7	7,612.0	7,991.9	5,857.3	7,248.1
Depreciation and amortisation **(E)** (₹ in million)	111.9	132.5	164.9	120.8	152.2
EBITDA (A+B+C+D+E) (₹ in million)	12,596.7	13,418.1	15,365.0	11,140.7	14,410.1
Total income (₹ in million)	15,755.5	17,285.6	20,435.2	14,882.1	18,951.7
EBITDA / Total Income	0.80	0.8	0.8	0.7	0.8

* *Not annualised for the nine months' period ended December 31, 2023 and December 31, 2022*

For Non-GAAP reconciliations, please see "Selected Statistical Information – Non-GAAP Reconciliations" on page 234.

Notes:

1. *The ratio has been computed as below:*

    (i) *Basic earnings per share (₹) =* $\dfrac{\text{Net profit after tax, as restated}}{\text{Weighted average number of Equity Shares outstanding during the period}}$

    (ii) *Diluted earnings per share (₹) =* $\dfrac{\text{Net profit after tax, as restated}}{\text{Weighted average number of potential Equity Shares outstanding during the period}}$

    (iii) *Return on Net Worth (%) =* $\dfrac{\text{Net profit after tax, as restated}}{\text{Net worth as restated as at period end}}$

    (iv) *Net asset value per share (₹) =* $\dfrac{\text{Net worth, as restated}}{\text{Number of Equity Shares outstanding as at period end}}$

2. *Diluted numbers of Equity Shares have changed during the periods on account of issue, exercise and lapse of employee stock appreciation rights under ESAR 2018.*

3. *Earnings per shares (EPS) calculation is in accordance with the notified Indian Accounting Standard (Ind AS) 33 'Earnings per share' prescribed by the Companies (Indian Accounting Standards) Rules, 2015.*
4. *The amounts disclosed above are based on the Restated Consolidated Financial Information.*
5. *Restated net worth means the aggregate value of the paid-up share capital of our Company and other equity excluding capital reserve on amalgamation as per Restated Consolidated Financial Information.*
6. *EBIDTA stands for earnings before interest, taxes, depreciation and amortisation and exceptional items.*

The audited standalone financial statements of our Company as at and for the year ended March 31, 2023, March 31, 2022, and March 31, 2021 and the reports thereon dated May 16, 2023, May 16, 2022 and May 6, 2021 respectively ("**Audited Financial Statements**") are available at https://aadharhousing.com/investor-relations/offer-documents. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Book Running Lead Managers or the Promoter Selling Shareholder, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 'Related Party Disclosures' for as at and for the nine months ended December 31, 2023 and December 31, 2022, and for the years ended March 31, 2023, March 31, 2022, and March 31, 2021 and as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 44 a) Related Party Transactions*" on page 316.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our restated consolidated financial information as of and for FY ended March 31, 2021, 2022 and 2023, and the nine months ended December 31, 2022 and December 31, 2023, including the related annexures. These restated consolidated financial information are prepared in accordance with Ind AS and restated as per the SEBI ICDR Regulations. Ind AS differs in certain material respects with IFRS and U.S. GAAP. The degree to which the financial information prepared in accordance with Ind AS will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS.

Our FY ends on March 31 of each year. Accordingly, all references to a particular FY are to the 12-month period ended March 31 of that year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 23 and 24, respectively.

*Unless otherwise indicated, industry and market data used in this section has been derived from the CRISIL Report. We commissioned the CRISIL Report pursuant to an engagement letter dated November 20, 2023 entered into with CRISIL Limited (available at https://aadharhousing.com/investor-relations/offer-documents), and CRISIL Market Intelligence & Analytics ("**CRIISL MI&A**"), a division of CRISIL Limited (together with CRISIL MI&A, "**CRISIL**") has been exclusively commissioned and paid for by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. For further information, see "Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data" on page 20 of this Red Herring Prospectus and "Risk Factors – Statistical and industry data in this Red Herring Prospectus is derived from the CRISIL Report commissioned and paid for by us exclusively for the purpose of the Offer" on page 40.*

The term "Aadhar" used in the name of the issuer, "Aadhar Housing Finance Limited" has no relation or connection with the Government of India or Unique Identification Authority of India's "Aadhaar", and should not be confused with the same.

Overview

According to CRISIL, we are a HFC focused on the low income housing segment (ticket size less than ₹1.5 million) in India and we had the highest AUM and net worth among our analyzed peers in FY2021, FY2022, FY2023 and nine months ended December 31, 2022 and December 31, 2023. In addition, according to the peer set analyzed by CRISIL, we had the highest number of live accounts in FY2023 (*Source: CRISIL Report*). In addition, we have a presence in 20 states and union territories, which is the highest among the peers analyzed by CRISIL as of March 31, 2023 (*Source: CRISIL Report*).

We are a retail-focused HFC focused on the low income housing segment, serving economically weaker and low-to-middle income customers, who require small ticket mortgage loans. The average ticket size of our loans was ₹0.9 million and ₹1.0 million with an average loan-to-value of 57.7% and 58.3%, as of December 31, 2022 and December 31, 2023, respectively. The following table sets forth the breakdown of our Gross AUM by occupation as of the periods indicated:

(₹ in million, except percentages)

Occupation	As of									
	March 31, 2021		March 31, 2022		March 31, 2023		December 31, 2022		December 31, 2023	
	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share	Amount	% Share
Salaried	85,093.3	63.8%	90,891.1	61.5%	100,933.2	58.6%	98,490.7	59.5%	113,686.1	57.2%
Self Employed	48,177.7	36.2%	56,886.8	38.5%	71,295.1	41.4%	67,173.9	40.5%	84,965.5	42.8%
Total	**133,271.0**	**100.0%**	**147,777.9**	**100.0%**	**172,228.3**	**100.0%**	**165,664.6**	**100.0%**	**198,651.6**	**100.0%**

We offer a range of mortgage-related loan products, including loans for residential property purchase and construction; home improvement and extension loans; and loans for commercial property construction and acquisition. Our financial performance has remained consistent and resilient through various external events in the Indian economy. The following table sets forth our Gross AUM for the periods indicated:

(₹ in million)

	For the				
	FY 2021	FY 2022	FY 2023	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Gross AUM	133,271.0	147,777.9	172,228.3	165,664.6	198,651.6

We have made social objectives one of the core objectives of our business model. We operate a financially inclusive, customer centric lending business and believe that our business model contributes significantly to the economic uplift of our target customers by contributing to an improvement in their standard of living. In addition to our customer-facing social objectives, we have also implemented social objectives in aspects of our business. Our presence in urban and semi-urban locations across India provides a source of employment in these locations. *See "Our Business - Competitive Strengths - Social objectives at the core of our business model*" on page 159.

We have an extensive network of 487 branches* including 109 sales offices, as of December 31, 2023. Our branches and sales offices spread across 20 states and union territories, operating in approximately 10,926 pin codes across India, as of December 31, 2023. Our branch and sales office network is widely dispersed with no state accounting for more than 14.0% in terms of Gross AUM as of December 31, 2023. We believe that our diversified reach is well positioned to meet the specific needs of our target customers across geographies, in urban and semi-urban areas. Further, as a result of our geographical spread, the top five states and union territories in terms of contribution to AUM collectively accounted for 62.0% of our AUM as of March 2023, and according to CRISIL, our cumulative share of the top 5 states in terms of AUM is much lower than other players in the peer set as of March 2023.

** The number of branches does not include regional offices and corporate offices.*

As of December 31, 2023, we have a total of 3,885 employees and Aadhar Sales and Services Private Limited ("**ASSPL**"), our 100% owned subsidiary has a total of 1,875 employees. ASSPL provides manpower services, arranges loans, deals in properties and other financial instruments and provides various other financial services. For further details, see *"History and Certain Corporate Matters – Our Subsidiary, Associates and Joint Ventures"* on page 194.

We have robust and comprehensive systems and processes for underwriting, collections and monitoring asset quality. These systems and processes are also technology enabled across our front office and back office with a view to ultimately digitize the entire life cycle of a loan from origination to closure. Loan applications from salaried-customers go through our regional processing unit ("**RPUs**"), increasing efficiency while those from self-employed customers, which require close understanding of the customer and their cash flows, are managed regionally. We also have an internally developed credit assessment model and have digitized monthly collections from customers to the extent possible to reduce processing and improve collection efficiency. We have migrated to a digital IT infrastructure with a view to reducing costs, carrying on real time analysis of customer data, improving our control and underwriting functions, while increasing customer reach and distribution capability. These measures will further improve our operational efficiency by improving processing times and productivity. For further details, see "*Our Business – Information Technology"* below on page 173.

We secure financing from a variety of sources including term loans and cash credit/ working capital facilities, proceeds from loans assigned, proceeds from the issuance of NCDs, refinancing from the NHB and subordinated debt borrowings from banks, mutual funds, insurance companies and other domestic, development financial institutions to meet our capital requirements. We follow a prudent borrowing strategy of not relying on short-term loans and as of March 31, 2021, March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023 98.2%, 99.3%, 100.0%, 100.0% and 100.0% of our Total Borrowings comprise long-term borrowings with a tenor of one year or more, respectively. As of March 31, 2021, March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023, our Total Borrowings were ₹103,744.7 million, ₹106,745.9 million, ₹121,534.5 million, ₹117,154.7 million and ₹131,275.9 million, respectively. Our average cost of borrowings has reduced from 8.2% as of March 31, 2021 to 7.6% as of December 31, 2023. As of December 31, 2023, the weighted average tenure of our outstanding borrowings, was 116 months. Further, as of December 31, 2023, our long-term rating from ICRA, CARE, India Ratings and Brickworks are "AA/Stable", our short-term borrowings are rated "A1+" by ICRA and our fixed deposits program is rated "AA/Stable" by CARE. In addition, our profit after tax before exceptional item grew at a CAGR of 28.8% between FY2021 and FY2023.

We have a strong, experienced and dedicated management team, with our senior management having an average of 25 years' experience in the financial services industry in India. Further, our board of directors is comprised of a balanced team of independent directors, qualified and experienced personnel, who have extensive knowledge and understanding of the housing finance and banking industries.

Since June 2019, BCP Topco, which is our Promoter, and is an affiliate of funds managed and/or advised by affiliates of Blackstone Group Inc (collectively "**Blackstone**"), currently holds 98.72% of our pre-Offer issued, subscribed and paid-up Equity Share capital. We benefit from the resources, relationships and expertise of Blackstone, one of the world's leading investment firms. Blackstone's asset management businesses include investment vehicles focused on real estate, private equity, public debt and equity, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Through its different businesses, Blackstone had total assets under management of $1,040.2 billion as of December 31, 2023. Following our acquisition by BCP Topco, we have also strengthened our corporate governance framework, with the induction of three independent directors, one of whom serves as Non-Executive Chairman.

The following table sets forth certain key financial ratios for our Company as at/for the periods indicated:

(₹ in million, except percentages and numbers)

Sr. No.	Metrics	Financial Year ended March 31, 2021	Financial Year ended March 31, 2022	Financial Year ended March 31, 2023	Nine Months ended December 31, 2022	Nine Months ended December 31, 2023
1	Live Accounts (including assigned and co-lent loans)[(1)]	182,471	204,135	233,228	222,346	255,683
2	Number of branches and sales offices[(2)]	310	332	469	415	487
3	Average ticket size [(3)]	0.9	0.9	0.9	0.9	1.0
4	Retail AUM [(4)]	133.252.2	147,766.9	172,228.3	165,664.6	1,98,651.6
5	Gross NPA to Retail AUM (%)[(5)]	1.1%	1.5%**	1.2%	1.8%	1.4%
6	Net Retail NPA to Retail AUM (%)[(6)]	0.7%	1.1%	0.8%	1.3%	1.0%
7	Net Worth[(7)]	26,927.6	31,466.3	36,976.0	35,556.8	42,491.0
8	Profit after tax before exceptional item[(8)]	3,401.3	4,448.5	5,643.3	4,040.6	5,478.8
9	Profit after tax	3,401.3	4,448.5	5,447.6	4,040.6	5,478.8
10	Return before exceptional item on Average Total Assets (%)[(9)]	2.6%	3.2%	3.6%	3.6%*	4.2%*
11	Return before exceptional item on Equity (%)[(10)]	13.5%	15.2%	16.5%	16.1*%	18.4%*
12	Debt to Total Equity ratio[(11)]	3.9	3.4	3.3	3.3	3.1
13	CRWAR (%) [(12)]	44.1%	45.4%	42.7%	44.9%	39.7%
14	Average yield on Gross Loan Book (%)[(13)]	13.2%	12.8%	12.8%	12.8%*	14.0%*
15	Average cost of Borrowing (%)[(14)]	8.2%	7.2%	7.0%	7.0%*	7.6%*
16	Net Interest Margin (%)[(15)]	5.8%	6.9%	8.0%	8.0%*	9.0%*
17	Cost to Income Ratio (%)[(16)]	35.8%	36.3%	38.1%	36.7%	36.2%

Notes:

(1) Live Accounts (including assigned and co-lent loans):- Represent the aggregate number of loan accounts outstanding as of the end of the relevant year or period including loan accounts which have been transferred by our Company by way of assignment and are outstanding as of the last day of the relevant year or period.

(2) Number of branches and sales offices:- Represents aggregate number of branches and sales offices (launched and opened in last quarter of FY2023) of our Company as of the last day of relevant period. The number of branches does not include regional offices and corporate offices.

(3) Average ticket size:- Represents the total sanctioned amount of the AUM of Live Accounts divided by those accounts.

(4) Retail AUM:- Represents the aggregate of future principal outstanding and overdue principal outstanding, if any, for all loan assets under management which includes loan assets held by our Company as of the last day of the relevant year or period as well as loan assets which have been transferred by our Company by way of securitization or assignment or co-lending and are outstanding as of the last day of the relevant year or period.

*(5) Gross NPA to Retail AUM:- Represents the ratio of our Gross NPA as of the last day or the relevant day or period to the Retail AUM as of the last day of the relevant year or period. See ** below for impact of RBI circular dated November 12, 2021 on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances – Clarifications (the "**November 12 Circular**").*

(6) Net Retail NPA to Retail AUM:- Represents the ratio of our Net Retail NPA as of the last day or the relevant day or period to the Retail AUM as of the last day of the relevant year or period. Net Retail NPA represents the closing balance of the Net NPA of our Retail AUM as of the last day of the relevant year or period. Net NPA equals total Gross Retail NPA less provision on the same.

(7) Net Worth:- Represents the aggregate of our equity share capital and other equity excluding capital reserve on amalgamation.

(8) Profit after tax before exceptional item:- Represents Profit After Tax for the relevant year or period before taking into account the exceptional item (net of tax impact). The table below sets forth the profit after tax before exceptional item in FY2023:

		FY2023
		(₹ in million)
	Profit After Tax (A)	*5,447.6*
Add:	*Exceptional item (B) ....*	*250.0*
Less:	*Tax adjustment (C) ....*	*54.3*
	Profit after tax before exceptional item (D= A+B-C)	*5,643.3*

(9) Return before exceptional item on Average Total Assets:- Calculated as the Profit After Tax before exceptional item for the relevant year or period as a percentage of Average Total Assets in such year or period. Average Assets is calculated as the simple average of our Assets as of the last day of the relevant year or period and our Assets as of the last day of the previous year or period.

(10) Return before exceptional item on Equity:- Calculated as the Profit After Tax before exceptional item for the relevant year or period as a percentage of average total equity in such year or period.

(11) Debt to Total Equity Ratio:- Represents the ratio of our Total Borrowings to our Total Equity as of the last day of the relevant year or period.

(12) CRWAR:- Represents the ratio of Tier I Capital and Tier II Capital to the Risk Weighted Assets for the relevant year or period.

(13) Average Yield on Gross Loan Book:- Represents the ratio of interest income on loans for a year or period to the average Gross Loan Book for the relevant year or period. Gross Loan Book represents housing and other loans. Gross Loan Book is the simple average of our Loan Book outstanding as of the last day of the relevant year or period and our Loan Book outstanding as of the last day of the previous year or period.

(14) Average cost of Borrowing:- Represents finance cost for the relevant year or period as a percentage of Average Borrowings in such year or period. Average Borrowings is the simple average of our Total Borrowings outstanding as of the last day of the relevant year or period and our Total Borrowings outstanding as of the last day of the previous year or period.

(15) Net Interest Margin: - Represents the ratio of our total income for a year or period, less finance costs for the year or period to the Average Total Assets for the year or period. Average Total Assets represents the simple average of total assets outstanding as of the last day of the relevant year or period and total assets outstanding as of the last day of the previous year or period.

(16) Cost to income ratio:- Represents the ratio of operating expenses for the relevant year or period divided by total income for the year or period, less finance costs for the year or period, expressed as a percentage.

** These financial data have been presented on an annualized basis in the following manner: reported figure multiplied by number of days in a FY divided* *by number of days in a year. The calculation does not take into account seasonality factors or any other factors which could impact period-on-period variations and may not reflect our actual performance for FY2023 and FY2024. The presentation of annualized financial data has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our operating results. Annualized financial data are not standard measures under the Ind AS and should not be considered in isolation or construed as alternatives to net income/loss, cash flow or any other measure of financial performance or as indicators of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. Annualized financial data presented herein may not be comparable to similarly titled measures presented by other companies.*

** *For Gross NPA (%) as of March 31, 2023 and December 31, 2023, it includes loan assets of ₹70.5 million (less than 0.1% of our Retail AUM) and ₹59.1 million (less than 0.1% of our Retail AUM) not more than 90 days past due which have been classified as NPA as per the November 12 Circular, respectively.*

Following the November 12 Circular, we classified our Stage 3 assets of ₹ 1,069.1 million as of March 31, 2023 into:
(a) Stage 3a: ₹ 44.7 million loans not more than 90 days past due; and
(b) Stage 3b: ₹ 1,024.4 million loans more than 90 days past due.
We classified our Stage 3 assets of ₹ 1,454.8 million as of December 31, 2023 into:
(a) Stage 3a: ₹ 40.4million loans not more than 90 days past due; and
(b) Stage 3b: ₹ 1,414.4 million loans more than 90 days past due.

Our stage 3b loans are comparable to our NPA for the previous period/years and our stage 3a loans have been classified as a result of the November 12 Circular with effect from November 12, 2021. As a result of the reclassification of Stage 3 loans, our GNPAs as of March 31, 2023 and December 31, 2023 of ₹1,997.7 million (1.2% of our Retail AUM) and ₹2,778.5 million (1.4% of our Retail AUM), respectively includes loan assets of ₹ 70.5 million (less than 0.1% of our Retail AUM) and ₹59.1 million (less than 0.1% of our Retail AUM) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular. Our Own Book GNPA as of March 31, 2023 and December 31, 2023 of ₹ 1,625.9 million (1.2% of our Own Book) and ₹2,308.1 million (1.4% of our Own Book), respectively includes loan assets of ₹58.9 million (less than 0.1% of our Own Book) and ₹52.2 million (less than 0.1% of our Own Book) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular. Our Retail GNPAs increased from ₹1,430.3 million (1.1% of our Retail AUM) as of March 31, 2021 to ₹2,143.5 million (1.5% of our Retail AUM) as of March 31, 2022, decreased to ₹1,997.7 million (1.2% of our Retail AUM) as of March 31, 2023 and increased to ₹2,778.5 million (1.4% of our Retail AUM) as of December 31, 2023, and our Own Book GNPA increased from ₹1,307.1 million (1.2% of our Own Book) as of March 31, 2021 to ₹1,825.7 million (1.5% of our Own Book) as of March 31, 2022, decreased to ₹1,625.9 million (1.2% of our Own Book) as of March 31, 2023 and increased to ₹2,308.1 million (1.4% of our Own Book) as of December 31, 2023.

See "Selected Statistical Information – Financial Ratios" on page 216 and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations - General Economic Conditions in India and the impact of the COVID-19 outbreak" on page 338.
For reconciliation of non-GAAP measures, see "Selected Statistical Information – Non-GAAP Reconciliations" on page 234.

Significant Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by a number of factors including:

General Economic Conditions in India and the impact of the COVID-19 outbreak

Our financial condition and results of operations are influenced by the general economic conditions prevalent in India. Overall economic growth and an increase in GDP are likely to result in an increase in incomes and spending on housing in India, which may lead to an increase in demand for home loans, thereby positively impacting our financial condition and results of operations. Conversely, a slowdown in the Indian economy could adversely affect our business and our borrowers, especially if such a slowdown were to be prolonged. Various factors beyond our control, such as domestic employment levels, conditions in the world economy, escalation of global trade tensions, fluctuations in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates and changes in Indian laws, regulations and policies could have either a positive or adverse impact on the quality of our loan book. The demand for home loans is also affected by real estate prices and other developments in the real estate sector. Typically, higher real estate prices are likely to result in lower affordability for buyers. Any trends or events which have a significant impact on the economic situation in India, including a rise in interest rates, could impact our business.

The outbreak of the coronavirus (COVID-19) was declared a global pandemic by the World Health Organization on March 11, 2020, which had a negative impact on, among other things, financial markets, liquidity, economic conditions and trade. We took a number of proactive steps to counter the impact of COVID-19 on our business. Pursuant to RBI's directions, we granted moratorium on payment of instalments falling due between March 1, 2020 and August 31, 2020 (the "**Moratorium Period"**) to all eligible customers who requested for the moratorium. For all such accounts, where the moratorium was granted, the asset classification remained at a standstill during the moratorium period. During the Moratorium Period, we focused our operations on three main aspects: remaining in close contact with all our customers; improving collection efficiencies; and restarting disbursements with appropriate diligence. We continued regular engagement (through modes such as phone calls and text messages) with our customers during the Moratorium Period and continued to do so in the months following the Moratorium Period. As a result, while our collection efficiencies dipped in the month of April 2020, we steadily recovered from May 2020 onwards. Additionally, during the second wave of COVID-19 in April to May 2021, our overall business was impacted negatively with a slowdown both in our disbursements and collections, due to a surge in infections across the country, which resulted in localized lockdowns in various regions of India. Further, as regards to disbursements, we undertook limited disbursements during FY2021 and gradually increased our disbursements during FY2022 and FY2023. With a view of minimizing defaults, we focused more on salaried customers during this period. Further, we also tightened our credit policies and performed additional due diligence on our customers to determine if their employment had been impacted by COVID-19. With these measures in place, we were able to gradually increase our disbursements while at the same time improving our collection efficiencies. Our quarterly collection efficiencies showed an increase since the second quarter of FY2021 as a result of our steady recovery from the second wave of COVID-19, and remained relatively stable from FY2022 to the nine months ended December 31, 2023.

The table below sets forth our disbursements and collection efficiencies for the quarters indicated:

(₹ in millions)

Particulars	FY2021				FY2022			
	Jun 2020	**Sep 2020**	**Dec 2020**	**Mar 2021**	**Jun 2021**	**Sep 2021**	**Dec 2021**	**Mar 2022**
Disbursements	2,951.5	9,278.2	10,099.9	13,117.6	2,256.3	11,570.2	9,947.0	16,145.8
Total EMI to be collected	4,886.0	4,976.0	5,205.0	5,422.0	5,621.0	5,627.0	5,789.0	6,026.0
Total EMI collected	3,257.0	4,247.0	5,031.0	5,372.0	5,261.0	5,662.0	5,730.0	6,130.0
Collection Efficiency	**66.7%**	**85.3%**	**96.7%**	**99.1%**	**93.6%**	**100.6%**	**99.0%**	**101.7%**

(₹ in millions)

	FY2023				FY2024		
Particulars	**Jun 2022**	**Sep 2022**	**Dec 2022**	**Mar 2023**	**Jun 2023**	**Sep 2023**	**Dec 2023**
Disbursements	11,013.5	13,545.1	14,895.0	19,516.2	14,379.8	17,252.6	17,408.2
Total EMI to be collected	6,340.0	6,547.0	6,859.0	7,202.0	7,671.0	8,057.0	8,459.0
Total EMI collected	6,176.0	6,498.0	6,825.0	7,239.0	7,553.0	8,072.0	8,386.0
Collection Efficiency	**97.4%**	**99.3%**	**99.5%**	**100.5%**	**98.5%**	**100.2%**	**99.1%**

Our improved collection efficiencies since the second quarter of FY2021 and the relatively stable collection efficiencies from FY2022 to the nine months ended December 31, 2023 provided basis for our strong liquidity position. Our liquidity position as of March 31, 2021 comprised cash and cash equivalents of ₹ 3,835.0 million and other bank balances of ₹ 17,877.8 million, compared to cash and cash equivalents of ₹ 5,741.7 million and other bank balances of ₹ 11,359.9 million as of March 31, 2022, and cash and cash equivalents of ₹ 4,051.4 million and other bank balances of ₹ 15,128.4 million as of March 31, 2023. Our liquidity position as of December 31, 2022 comprised cash and cash equivalents of ₹ 5,746.7 million and other bank balances of ₹ 10,971.6 million, compared to cash and cash equivalents of ₹ 1,884.7 million and other bank balances of ₹ 10,332.8 million as of December 31, 2023.

As a result of our strong liquidity position, we did not avail the benefit of moratorium from any of our lenders during March 2020 to August 2020 and were able to utilize our liquidity to prepay some of our high cost loans in FY2021, FY2022 and FY2023, which helped in reducing our costs of borrowing for FY2021, FY2022 and FY2023.

Further, the Supreme Court of India passed an interim order in September 2020 in a public interest litigation, whereby it directed that accounts which were not declared NPA until August 31, 2020 shall not be declared as NPA until further orders. However, such accounts had been classified by us as Stage 3 assets and provisions recognized accordingly in our financial statements. On March 23, 2021 the Supreme Court of India vacated the interim order of not classifying NPAs and accordingly we have classified NPAs post March 23, 2021 in accordance with the regulatory guidance.

Availability of Cost Effective Funding Sources

The availability of cost-effective funding sources impacts our financial condition and profitability. We rely on our revenue from operations, equity in the form of shareholder funds, and debt, in the form of term loans, bank overdraft and working capital facilities; proceeds from the issuance of NCDs and commercial paper; refinancing from the NHB; and subordinated debt borrowings from banks, mutual funds, insurance companies and other domestic, financial institutions to meet our capital requirements. Further, we also assign loans through direct assignment to banks and financial institutions, which enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. With the objective to leverage our distribution network and widen our sources of funds, we enter into co-lending agreements with other banks, whereby we source and disburse loans in our usual course of business in accordance with our existing policies and may request these banks to participate in the specific home loans or loans against property with pre-agreed parameters. Our funding sources are varied, as we believe that a diversified debt profile ensures that we are not overly dependent on any one type or source for funding.

Our debt service costs and overall cost of funds depend on many external factors, including developments in the Indian credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. Internal factors that affect our cost of funds include our credit ratings and available credit limits. For FY2021, FY2022 and FY2023 and the nine months ended December 31, 2022 and December 31, 2023, our average cost of borrowings was 8.2%, 7.2%, 7.0%, 7.0% and 7.6%, respectively. Any increase in our cost of funds may require us to increase interest rates on new loans originated to customers in the future to maintain our net interest margins, which may, in turn, decrease the competitiveness of our products and affect our results of operations and prospects.

We intend to continue to diversify our funding sources, identify new sources and pools of capital and implement robust asset liability management policies with the aim of further optimizing our borrowing costs and help sustain our net interest income. In line with our strategy, we have increased the share of NHB refinancing in our Total Borrowings from 16.4% as at March 31, 2021 to 27.3% as at December 31, 2023 and have also accessed international sources of funding to maintain our diversified funding sources.

Our ability to maintain our net interest income and net interest margin

Our results of operations depend substantially on the level of our net interest income (representing our total interest income as reduced by our total interest expended) and our ability to maintain and improve our net interest margin (representing the ratio of our net interest income to our total assets). Hence, the differential between the interest rates that we charge on interest-earning assets and the interest rates that we pay on interest-bearing liabilities, and the volume of such assets and liabilities, tends to have a significant impact on our results of operations.

We provide loans to our customers at interest rates that are linked to our retail prime lending rate ("**RPLR**"), which is calculated by us based on the interest rate that we pay on our borrowings and other factors and is reviewed by the asset-liability committee of our Board of Directors on a quarterly basis. We primarily pay interest on our bank borrowings based on floating rates and on our NCDs and borrowings from the NHB based on fixed and floating rates. As our RPLR is reviewed on a quarterly basis, it allows us the ability to pass on increases in our borrowing costs to our customers, which we have been able to do in the past. For example, we increased our RPLR in FY2021, FY2022, FY2023 and the nine months ended December 31, 2023, which contributed to the increase in our interest income for those periods (for further details, see "– *Our Results of Operations*" below). As a result, we have been able to improve our net interest margin, which amounted to 5.8%, 6.9%, 8.0%, 8.0% and 9.0% for FY2021, FY2022, FY2023 and the nine months ended December 31, 2022 and December 31, 2023, respectively. See "*Selected Statistical Information*" on page 215 for further details.

We increased our RPLR by 50 BPS during the month of October 2022 and 75 BPS in April 2023 to compensate for an increase in finance cost on borrowing in FY2023 and FY2024. This has resulted in an increase in our finance cost for the nine months ended December 31, 2023 and an increase in our average cost of borrowings from 7.0% for the nine months ended December 31, 2022 to 7.6% for the nine months ended December 31, 2023.

In addition, we believe we also have in place effective asset liability management strategies and aim to ensure that we do not have any cumulative asset/ liability mismatches. In FY2021, FY2022 and FY2023 and the nine months ended December 31, 2023, we have positive asset-liability mismatch across all the maturity buckets. While the contracted maturity of the loans that we originate is higher than the maturity of our borrowings, the actual maturity of the loans is typically lower (due to prepayment and foreclosures). This, along with the excess liquidity that we hold in the form of bank fixed deposits and liquid and overnight mutual funds, helps us to maintain a balanced asset-liability profile.

Credit Quality and Provisioning

Our ability to manage the credit quality of our loans is a key driver of our results of operations. Under Ind AS, we are required to make provisions on the basis of expected credit losses, which requires the estimation of loss on financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the loans and advances. Given the impairment provision is based on various judgements and estimates, the actual credit losses for the next 12 months could be different than the expected credit loss estimates prepared by us.

As at March 31, 2021, March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023, our GNPAs were ₹1,430.3 million, ₹2,154.5 million, ₹1,997.7 million, ₹2,920.8 million and ₹2,778.5 million representing 1.1%, 1.5%, 1.2%, 1.8% and 1.4% of our Gross AUM, respectively. The increase in GNPA as at March 31, 2022 as compared to March 31, 2021 was due to the impact of the November 12 Circular, which applied prospectively from November 2021. For further details in relation to the impact of the November 12 Circular on our GNPA, see *"-Significant Factors Affecting our Results of Operations – General Economic Conditions in India and the impact of the COVID-19 outbreak"* on page 338. The decreases in GNPA as at March 31, 2023 as compared to March 31, 2022 and as at December 31, 2023 as compared to December 31, 2022 were on account of improved collection efficiency in FY2023 and the nine months ended December 31, 2023, respectively.

The following table sets forth details of our impairment loss allowance and provisions as of the dates indicated:

(₹ in million, except percentages)

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Impairment loss allowance	1,478.4	1,718.1	1,861.0	1,922.5	2,168.7
Provision for GNPA	433.6	539.3	556.8	739.5	853.3
Provision for GNPA as percentage of GNPA	30.3%	25.0%	27.9%	25.3%	30.7%
Provision for standard assets(1)	1,044.8	1,171.8	1,304.2	1,183.0	1,315.4

Note:
(1) Provision for standard assets means provision maintained on Stage 1 and Stage 2 assets.

Further, as a prudent measure, we recognized impairment allowance on loans towards loans to developers amounting to ₹50.3

million for FY2021, and reversed the impairment on loans to developers amounting to ₹209.1 million for FY2022 and ₹ 75.4 million for FY2023 upon recovery and reversal of ₹ 56.0 million and reversal of ₹ 57.7 million upon recovery for the nine months ended December 31, 2022 and December 31, 2023, respectively. As a result, the net carrying value of loans to developers was ₹ 13.8 million for FY2021 and nil carrying value in FY2022, FY2023 and for the nine months ended December 31, 2022 and December 31, 2023. We have discontinued loans to developers and no fresh loan sanctions were made in this category for FY2021, FY2022 and FY2023 and for the nine months ended December 31, 2022 and December 31, 2023.

For a summary of the risk classification of our portfolio in accordance with Ind AS as of December 31, 2023, see "*Selected Statistical Information – Asset Quality*" on page 222.

Government Policy and Regulation

Our results of operations and continued growth also depend on stable government policies and regulations. We are required to comply with, among others, limits on borrowings, investments and interest rates, prudential norms for income recognition, asset classification, norms for creation of special reserves as well as minimum capital adequacy requirements. The regulations applicable to us also address issues such as our conduct with customers and recovery practices, market conduct and foreign investment. Any significant change by the Government, the NHB or the RBI in their various policy initiatives facilitating the provision of housing or housing finance may affect the demand for our products and services.

The RBI Master Directions – HFC currently require HFCs to comply with a CRWAR, consisting of Tier I and Tier II capital. Under these requirements, HFC's Tier I and Tier II capital may not be less than 14% of the sum of the HFC's risk-weighted assets and the risk adjusted value of off-balance sheet items, as applicable, on or before March 31, 2021 and 15% on or before March 31, 2022 and thereafter, with a minimum requirement of Tier I capital of 10% on risk weighted assets. Further, the NHB Directions require that the Tier II capital shall not exceed 100% of the Tier I capital at any point of time. As of December 31, 2023, our CRWAR (%) was 39.7%, with CRWAR – Tier I capital (%) comprising 38.9% and CRWAR - Tier II Capital (%) comprising 0.8%. In addition, the NHB Directions currently permit HFCs to borrow up to 12 times of their net owned funds from March 31, 2022. As of December 31, 2022 and December 31, 2023, our Total Borrowings amounted to ₹117,154.7 million and ₹131,275.9 million, or 3.3 times our NOF of ₹34,995.7 million and 3.4 times our NOF of ₹38,833.0 million, respectively.

In addition, on November 12, 2021, the RBI issued a circular on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances - Clarifications (the "**November 12 Circular**") which clarified that the classification of borrower accounts as special mention accounts or NPAs will be on a day-end position basis and accounts can only be upgraded from an NPA to a 'standard' asset after the clearance of all overdue amounts (in other words, only if the entire arrears of interest and principal are paid by the borrower). Further, on February 15, 2022, the RBI issued a clarificatory circular to the November 12 Circular, which stipulates that NBFCs have until September 30, 2022 to put in place the necessary systems to implement such provision. Following the November 12 Circular, from a reporting perspective, we classified our Stage 3 assets into: (a) Stage 3a loans not more than 90 days past due and (b) Stage 3b loans more than 90 days past due. Our Stage 3b loans are comparable to our NPA for the previous period/years and our Stage 3a loans have been classified as a result of the November 12 Circular with effect from November 12, 2021. As a result of the reclassification of Stage 3 loans, our GNPAs as of March 31, 2023 and December 31, 2023 of ₹1,997.7 million (1.2% of our Retail AUM) and ₹ 2,778.5 million (1.4% of our Retail AUM), includes loan assets of ₹70.5 million (less than 0.1% of our Retail AUM) and ₹59.1 million (less than 0.1% of our Retail AUM) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular, respectively. Our Own Book GNPA as of March 31, 2023 and December 31, 2023 of ₹ 1,625.9 million (1.2% of our Own Book) and ₹2,308.1 million (1.4% of our Own Book) includes loan assets of ₹58.9 million (less than 0.1% of our Own Book) and ₹52.2 million (less than 0.1% of our Own Book) of not more than 90 days past due which have been classified as NPA according to the November 12 Circular, respectively. Our Own Book refers to our own loan assets and our Own Book AUM comprises our Own Book and the assigned or co-lent assets transferred by our Company. Our GNPAs increased from ₹1,430.3 million (1.1% of our Retail AUM) as of March 31, 2021 to ₹2,143.5 million (1.5% of our Retail AUM) as of March 31, 2022 and to ₹1,997.7 million (1.2% of our Retail AUM) as of March 31, 2023. Our GNPAs decreased from ₹2,920.8 million (1.8% of our Retail AUM) as of December 31, 2022 to ₹2,778.5 million (1.4% of our Retail AUM) as of December 31, 2023. Our Own Book GNPA increased from ₹1,307.1 million (1.2% of our Own Book) as of March 31, 2021 to ₹1,825.7 million (1.5% of our Own Book) as of March 31, 2022 and subsequently decreased to ₹ 1,625.9 million (1.2% of our Own Book) as of March 31, 2023. Our Own Book GNPA decreased from ₹2,402.4 million (1.8% of our Own Book) as of December 31, 2022 to ₹2,308.1 million (1.4% of our Own Book) as of December 31, 2023.

Further, the RBI's guidelines provide for risk weighting of assets based on the LTV ratio. For example, home loans amounting to ₹3 million which are classified as standard assets and have LTV ratios of 80% or lesser, attract a risk weight of 35% and LTV ratios of 80% to 90% attract a risk weight of 50%. These risk weights apply to majority of our portfolio. As our average LTV ratio as of December 31, 2022 and December 31, 2023 is 57.7% and 58.3% respectively, our assets have a low risk weightage, which helps us maintain a healthy capital to risk weighted assets ratio of 44.9% and 39.7% as of the same periods, respectively. Our capital to risk weighted assets ratio slightly decreased by 5.2% from December 31, 2022 to December 31, 2023 as our risk weighted assets increased as a result of the growth in our business while our capital remains at a similar level, and partly due to the RBI issuing a circular in November 2023 providing for an increased risk weight on consumer credit exposure (excluding home loans) from 100% to 125%. As a result, loans against property (excluding housing loans) without end use as business attracted the requirement of higher risk weights, which reduced our CRWAR for the nine months ended December 31, 2023.

Our Ability to Maintain Operational Efficiencies and low Cost to Income Ratios

Our business has grown significantly in FY2021, FY2022, FY2023 and for the nine months ended December 31, 2022 and December 31, 2023. Our Retail AUM grew from ₹ 133,252.2 million as of March 31, 2021 to ₹ 165,664.6 million as of December 31, 2022 and ₹ 198,651.6 million as of December 31, 2023. Along with the growth in our AUM and revenues, we have been able to control our operating expenses. Our cost to income ratio was 35.8%, 36.3%, 38.1%, 36.7% and 36.2% for FY2021, FY2022, FY2023 and the nine months ended December 31, 2022 and December 31, 2023, respectively. We have also taken steps to improve the productivity of our employees and branches, which has led to the improvement in our Gross AUM per branch (excluding sales offices) from ₹ 429.9 million as of March 31, 2021 to ₹ 445.1 million as of March 31, 2022, and as of March 31, 2023 was ₹ 437.1 million. Our Gross AUM per branch (excluding sales office) also improved from ₹ 399.2 million as of December 31, 2022 to ₹ 503.3 million as of December 31, 2023.

We continue to identify and implement measures that we believe will enable us to sustain and further decrease our operating expense ratio. Further, as our operations expand, we also expect to derive benefits from economies of scale, which we believe will assist us in optimizing our operating expenses. In addition, we also continue to invest in our technology platform and technology-enabled operating procedures to increase operational and management efficiencies.

Increasing Competition

The Indian housing finance industry is highly competitive and the factors on which we compete include product range, ability to customize products, rate of approving loans, interest rates charged for loans, reputation and maintaining customer relationships. Our main target customer base are economically weaker and low-to-middle income customers, who require small ticket mortgage loans. The average ticket size of our loans was ₹ 0.9 million and ₹ 1.0 million, as of December 31, 2022 and December 31, 2023, respectively. Our primary competitors have been private banks, public sector banks, HFCs and NBFCs that provide housing loans in ticket sizes up to ₹ 0.75 million and ranging from ₹ 0.75 million to ₹1.5 million.

In the organized sector, our competitors may have better access to, and lower costs of, funding than we do. In certain geographies, they may also have better brand recognition and a larger customer base than ours. If we are unable to access funds at an effective cost that is comparable to, or lower than our competitors, or expand our reach and build our brand among our target customers, we may lose existing as well as potential customers to competition, resulting in a decline in our market share.

In addition, customers have increased accessibility to housing finance products and services due to technological advances and increased penetration of internet based lending platforms, which has facilitated an increase in demand for home loans and competition to meet that demand. With relatively lesser barriers to entry in the housing finance sector, competition is likely to intensify further as a result of regulatory changes and liberalization.

Critical accounting policies and significant judgments and estimates

The methods, assumptions, and estimates that we use in applying our accounting policies may require us to apply judgments regarding matters that are inherently uncertain. We consider an accounting policy to be a critical estimate if: (1) we must make assumptions that were uncertain when the judgment was made, and (2) changes in the estimate assumptions, or selection of a different estimate methodology, could have a significant impact on our financial position and the results that we report in our Restated Consolidated Financial Information. While we believe that our estimates, assumptions, and judgments are prudent and reasonable, future results could differ due to these estimates and the differences between the actual results and estimates could be recognized in which the results are known or materialize.

Expected credit loss

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, we consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on our historical experience and credit assessment and including forward-looking information. In certain cases, the assessment based on past experience is required for future estimation of cash flows which requires significant judgment.

The inputs used and process followed by us in determining the increase in credit risk have been detailed in "*Restated Consolidated Financial Information - Note 38*" on page 292.

EIR

Our EIR methodology, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given.

This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments, as well as other fee income/expense that are integral parts of the instrument.

Share-Based Payments

Estimating fair value for share-based payment transactions requires use of an appropriate valuation model. We measure the cost of equity-settled transactions with employees using Black-Scholes Model to determine the fair value of the options on the grant date.

Inputs into the valuation model, includes assumption such as the expected life of the share option, volatility and dividend yield.

Further details used for estimating fair value for share-based payment transactions are disclosed in "*Restated Consolidated Financial Information - Note 42*" on page 313.

Business model assessment

Our Company's business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates, accordingly entire loan portfolio is classified at amortised cost.

Revenue and Expenses

Set forth below is a description of the principal components of our income and expenditure:

Income

Income. Total income consists of revenue from operations and other income.

Revenue from operations. Revenue from operations comprises interest income, net gain on fair value changes, net gain on derecognition of financial instruments under amortized cost category and fees and commission income.

Interest income primarily comprises interest on our home and other property loans and also interest on fixed deposits, bonds and debentures and other interest.

Net gain on fair value changes comprises realized / unrealized gain from mutual fund investments and change in fair value of minor equity investment held by the Company.

Net gain on derecognition of financial instruments under amortized cost category comprises net gain on our portfolio that are assigned.

Fees and commission income comprises loan processing fee and other charges (net of business sourcing expenses) and fee from intermediary services that we provide (comprising insurance services and servicing fee in direct assignments).

Other Income. Other income comprises miscellaneous income and profit on sale of fixed assets (net).

Expenses

Expenses comprise finance costs, impairment on financial instruments, employees benefits expense, depreciation and amortization expense and other expenses.

Finance costs. Finance costs comprise interest on borrowings (other than debt securities), interest on deposits, interest on non-convertible debentures, interest on subordinated liabilities, interest on others, interest on lease liabilities and finance charges.

Impairment on financial instruments. Impairment on financial instruments comprises impairment allowance on loans, bad-debts written off and impairment on asset held for sale.

Employees benefits expense. Employees benefits expense comprises salaries, bonus (including any one-time bonus paid to employees) and other allowances, contribution to provident and other funds, share based payments to employees and staff welfare expenses.

Depreciation and amortization expense. Depreciation and amortization expenses are incurred on account of depreciation of property, plant and equipment, amortization of intangible assets and depreciation on right to use assets.
Other expenses. Other expenses primarily comprise rent, travelling expenses, goods and service tax and general repairs and maintenance.

Our Results of Operations

The following table sets forth select financial data from our restated consolidated statement of profit and loss for FY2021, FY2022, FY2023 and the nine months ended December 31, 2022 and December 31, 2023, the components of which are also expressed as a percentage of total income for such periods:

	FY						For the nine months ended December 31,			
	2021		2022		2023		2022		2023	
	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)
Income:										
Revenue from operations										
Interest Income (A)	14,269.4	90.6%	15,382.9	89.0%	17,762.8	86.9%	12,995.5	87.3%	16,733.2	88.3%
Net gain on fair value changes (B)	87.8	0.6%	234.6	1.4%	317.9	1.6%	244.0	1.6%	149.3	0.8%
Net gain on derecognition of financial instruments under amortized cost category (C)	638.1	4.1%	929.6	5.4%	1,304.3	6.4%	897.9	6.0%	838.7	4.4%
Fees and commission (D)	758.0	4.8%	735.6	4.3%	1,047.3	5.1%	740.6	5.0%	1,229.0	6.5%
Total Revenue from operations (A+B+C+D)	**15,753.3**	**100.0%**	**17,282.7**	**100.0%**	**20,432.3**	**100%**	**14,878.0**	**100.0%**	**18,950.2**	**100.0%**
Other income	2.2	0.0%#	2.9	0.0%#	2.9	0.0%#	4.1	0.0%#	1.5	0.0%#
Total income	**15,755.5**	**100.0%**	**17,285.6**	**100.0%**	**20,435.2**	**100.0%**	**14,882.1**	**100.0%**	**18,951.7**	**100.0%**
Expenses:										
Finance costs (A)	8,159.7	51.8%	7,612.0	44.0%	7,991.9	39.1%	5,857.3	39.4%	7,248.1	38.2%
Impairment on financial instruments (B)	549.4	3.5%	487.1	2.8%	492.1	2.4%	552.8	3.7%	453.7	2.4%
Employees benefits expenses (C)	1,888.1	12.0%	2,481.9	14.4%	3,220.1	15.8%	2,274.8	15.3%	2,900.2	15.3%
Depreciation and amortization expense (D)	111.9	0.7%	132.5	0.8%	164.9	0.8%	120.8	0.8%	152.2	0.8%
Other expenses (E)	721.3	4.6%	898.5	5.2%	1,358.0	6.6%	913.8	6.1%	1,187.7	6.3%
Total expenses (A+B+C+D+E)	**11,430.4**	**72.5%**	**11,612.0**	**67.2%**	**13,227.0**	**64.7%**	**9,719.5**	**65.3%**	**11,941.9**	**63.0%**
Profit before tax and exceptional items:	**4,325.1**	**27.5%**	**5,673.6**	**32.8%**	**7,208.2**	**35.3%**	**5,162.6**	**34.7%**	**7,009.8**	**37.0%**
Exceptional items:	-	-	-	-	250.0	1.2%	-	-	-	-
Profit before tax:	**4,325.1**	**27.5%**	**5,673.6**	**32.8%**	**6,958.2**	**34.1%**	**5,162.6**	**34.7%**	**7,009.8**	**37.0%**
Tax expenses:										
Current tax expense (A)	934.6	5.9%	1,254.5	7.3%	1,571.1	7.7%	1,127.3	7.6%	1,571.8	8.3%
Short/(Excess) Provision of Income Tax for	-	-	-	-	-	-	-	-	(5.6)	0.0%#

	FY						For the nine months ended December 31,			
	2021		2022		2023		2022		2023	
	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)	(₹ in million)	(% of Total Income)
earlier years										
Deferred tax charge/(credit) (B)	(10.8)	(0.1%)	(29.4)	(0.2%)	(60.5)	(0.3%)	(5.3)	0.0%#	(35.2)	-0.2%
Total Tax Expense (A+B)	**923.8**	**5.9%**	**1,225.1**	**7.1%**	**1,510.6**	**7.4%**	**1,122.0**	**7.5%**	**1,531.0**	**8.1%**
Profit for the period:	**3,401.3**	**21.6%**	**4,448.5**	**25.7%**	**5,447.6**	**26.7%**	**4,040.6**	**27.2%**	**5,478.8**	**28.9%**
Other comprehensive income:										
Items that will not be reclassified to profit or loss										
i) Remeasurements of the defined employee benefit plans	4.6	0.0%#	17.9	0.1%	7.8	0.0%#	10.3	0.1%	3.5	0.0%#
ii) Income tax relating to items that will not be reclassified to profit or loss	(1.3)	0.0%#	(4.4)	0.0%#	(2.0)	0.0%#	(2.6)	0.0%#	(0.9)	0.0%#
Total other comprehensive income for the period (i+ii)	**3.3**	**0.0%#**	**13.5**	**0.1%**	**5.8**	**0.0%#**	**7.7**	**0.1%**	**2.6**	**0.0%#**
Total comprehensive income	**3,404.6**	**21.6%**	**4,462.0**	**25.8%**	**5,453.4**	**26.7%**	**4,048.3**	**27.2%**	**5,481.4**	**28.9%**
Earnings per equity share										
Basic earnings per equity share	8.6		11.3		13.8		10.2		13.9	
Diluted earnings per equity share	8.4		10.9		13.4		9.9		13.5	

Note: # Less than 0.1%

Nine months ended December 31, 2022 compared to the nine months ended December 31, 2023

Total Income

Our total income increased by 27.3% to ₹ 18,951.7 million for the nine months ended December 31, 2023 from ₹ 14,882.1 million for the nine months ended December 31, 2022.

Revenue from Operations. Our revenue from operations increased by 27.4% to ₹ 18,950.2 million for the nine months ended December 31, 2023 from ₹ 14,878.0 million for the nine months ended December 31, 2022, primarily due to an increase in interest income by 28.8% to ₹ 16,733.2 million for the nine months ended December 31, 2023 from ₹ 12,995.5 million for the nine months ended December 31, 2022. The increase in interest income was primarily due to an increase in our interest on loans, which increased by 28.0% to ₹ 15,794.0 million from ₹ 12,335.5 million. This increase was in line with the 19.9% growth in our Retail AUM which increased to ₹ 198,651.6 million as of December 31, 2023 from ₹ 165,664.6 million as of December 31, 2022 primarily on account of housing and other property loan disbursements of ₹ 49,040.6 million for the nine months ended December 31, 2023 from ₹ 39,453.6 million for the nine months ended December 31, 2022 and an increase in the number of customers to 255,683 as of December 31, 2023 from 222,346 as of December 31, 2022, as well as an increase in average yield on our disbursements. For further details of the average yield on disbursements and of our interest-earning assets, see "*Selected Statistical Information – Average Balance Sheet and Net Interest Margin*" on page 219. In addition, interest on fixed deposits increased by 51.3% to ₹ 699.0 million for the nine months ended December 31, 2023 from ₹ 462.0 million for the nine months ended December 31, 2022 due to increase in investment in fixed deposit with banks and increase in interest rates on fixed deposits in the nine months ended December 31, 2023.

Further, fee and commission income increased by 65.9% to ₹ 1,229.0 million for the nine months ended December 31, 2023 from ₹ 740.6 million for the nine months ended December 31, 2022, primarily due to an increase in loan processing fee and other charges (net of business sourcing expense) to ₹ 626.3 million for the nine months ended December 31, 2023 from ₹ 594.7 million for the nine months ended December 31, 2022. This was primarily due to an increase in fresh sanctions/disbursements during the nine months ended December 31, 2023 which generated additional fee income and increase in income from intermediary services to ₹ 602.7 million for the nine months ended December 31, 2023 from ₹ 145.9 million for the nine months ended December 31, 2022, primarily due to an increase in insurance policies procured by our Company.

These increases were offset by a decrease in net gain on derecognition of financial instruments under amortized cost category by 6.6% to ₹ 838.7 million for the nine months ended December 31, 2023 from ₹ 897.9 million for the nine months ended December 31, 2022, primarily due to a reduced spread in the portfolio on our direct assignment. Further, there was a decrease in net gain on fair value changes by 38.8% to ₹ 149.3 million for the nine months ended December 31, 2023 from ₹ 244.0 million for the nine months ended December 31, 2022, primarily due to a decrease in realized investment in mutual fund measured at FVTPL, as a result of decrease in investments made in liquid and overnight mutual funds.

Other income. Our other income, comprising miscellaneous income, decreased by 63.4% to ₹ 1.5 million for the nine months ended December 31, 2023 from ₹ 4.1 million for the nine months ended December 31, 2022.

Expenses

Finance costs. Our finance costs increased by 23.7% to ₹ 7,248.1 million for the nine months ended December 31, 2023 from ₹ 5,857.3 million for the nine months ended December 31, 2022, primarily due to an increase in interest on borrowings (other than debt securities) by 26.1% to ₹ 5,520.4 million for the nine months ended December 31, 2023 from ₹ 4,376.7 million for the nine months ended December 31, 2022. This increase was primarily due to an increase in the total amount of borrowing (other than debt securities) to ₹ 107,245.7 million as at December 31, 2023 from ₹ 92,870.3 million as at December 31, 2022, as a result of increase in loan disbursements, and to a lesser extent an increase in average rates. In addition, interest on non-convertible debentures increased by 20.7% to ₹ 1,535.5 million for the nine months ended December 31, 2023 from ₹ 1,272.1 million for the nine months ended December 31, 2022, as a result of increases in average balance and average yield of non-convertible debentures. Such increases were partially offset by a decrease in interest on subordinated liabilities by 12.1% to ₹ 46.5 million for the nine months ended December 31, 2023 from ₹ 52.9 million for the nine months ended December 31, 2022, as a result of decrease in average balance of subordinated liabilities. Our average cost of borrowing increased to 7.6% as of December 31, 2023, compared with 7.0% as of December 31, 2022. Our average total borrowing increased to ₹ 126,405.2 million as of December 31, 2023, compared with ₹ 111,950.3 million as of December 31, 2022.

Impairment on financial instruments. Our impairment on financial instruments decreased by 17.9% to ₹ 453.7 million for the nine months ended December 31, 2023 from ₹ 552.8 million for the nine months ended December 31, 2022, primarily due to a decrease in impairment allowance on loans by 60.9% to ₹ 178.5 million for the nine months ended December 31, 2023 from ₹ 456.0 million for the nine months ended December 31, 2022. For the nine months ended December 31, 2023, provisions / write-offs in our portfolio of loans to developers amounted to a gain of ₹ 57.7 million, compared to a gain of ₹ 56.0 million for the nine months ended December 31, 2022 due to the recovery from our loan to developer portfolio for the nine months ended December 31, 2023.

Employees benefits expense. Employees benefits expense increased by 27.5% to ₹ 2,900.2 million for the nine months ended December 31, 2023 from ₹ 2,274.8 million for the nine months ended December 31, 2022, primarily due to an increase in salaries, bonus and other allowances by 25.4% to ₹ 2,543.4 million for the nine months ended December 31, 2023 from ₹ 2,027.9 million for the nine months ended December 31, 2022. The increase in salaries, bonus and other allowances was due to an increase in the number of our employees for the nine months ended December 31, 2023 compared with the nine months ended December 31, 2022 and annual increment given to employees. Our on-roll employees increased to 3,885 as of December 31, 2023, as compared with 3,360 as of December 31, 2022.

Depreciation and amortization expense. Our depreciation and amortization expense increased by 26.0% to ₹ 152.2 million for the nine months ended December 31, 2023 from ₹ 120.8 million for the nine months ended December 31, 2022, primarily due to an increase in depreciation of right to use assets – building amounting to ₹ 75.8 million for the nine months ended December 31, 2023 from ₹ 60.2 million for the nine months ended December 31, 2022. Such increase was primarily on account of an addition in right of use assets amounting to ₹ 183.5 million for the nine months ended December 31, 2023.

Other expenses. Our other expenses increased by 30.0% to ₹ 1,187.7 million for the nine months ended December 31, 2023 from ₹ 913.8 million for the nine months ended December 31, 2022, primarily due to an increase in general repairs and maintenance by 44.0% to ₹ 228.5 million for the nine months ended December 31, 2023 from ₹ 158.7 million for the nine months ended December 31, 2022, which is in line with expansion of our branch and sales office network. Additionally, legal and professional charges increased by 39.3% to ₹ 109.6 million for the nine months ended December 31, 2023 from ₹ 78.7

million for the nine months ended December 31, 2022, which is in line with the growth of our business operations and the increasing compliance costs. Goods and services tax also increased by 65.1% to ₹ 177.1 million for the nine months ended December 31, 2023 from ₹ 107.3 million for the nine months ended December 31, 2022.

Total tax expense. Our total tax expense increased by 36.5% to ₹ 1,531.0 million for the nine months ended December 31, 2023 from ₹ 1,122.0 million for the nine months ended December 31, 2022. For the nine months ended December 31, 2023, we had a current tax expense of ₹ 1,571.8 million and a deferred tax credit of ₹ 35.2 million. For the nine months ended December 31, 2022, we had a current tax expense of ₹ 1,127.3 million and a deferred tax credit of ₹ 5.3 million. Increase in total tax expenses was on account of increase in profit before tax by 35.8% to ₹ 7,009.8 million for the nine months ended December 31, 2023 from ₹ 5,162.6 million for the nine months ended December 31, 2022.

Profit for the period. As a result of the foregoing, our profit for the period increased by 35.6% to ₹ 5,478.8 million for the nine months ended December 31, 2023 from ₹ 4,040.6 million for the nine months ended December 31, 2022.

FY2023 compared to FY2022

Total Income

Our total income increased by 18.2% to ₹ 20,435.2 million for FY2023 from ₹17,285.6 million for FY2022.

Revenue from Operations. Our revenue from operations increased by 18.2% to ₹ 20,432.3 million for FY2023 from ₹ 17,282.7 million for FY2022, primarily due to an increase in interest income by 15.5% to ₹ 17,762.8 million for FY2023 from ₹ 15,382.9 million for FY2022. The increase in interest income was primarily due to an increase in our interest on loans, which increased by 14.4% to ₹ 16,748.5 million from ₹14,634.3 million. This increase was in line with the growth in our Retail AUM which increased to ₹ 172,228.3 million as of March 31, 2023 from ₹ 147,766.9 million as of March 31, 2022 primarily on account of housing and other property loan disbursements of ₹ 59,026.1 million for FY2023 from ₹ 39,919.3 million for FY2022 and an increase in the number of customers to 233,228 as of March 31, 2023 from 204,135 as of March 31, 2022.

Further, net gain on derecognition of financial instruments under amortized cost category increased by 40.3% to ₹ 1,304.3 million for FY2023 from ₹929.6 million for FY2022. This was primarily due to an increase in the fresh assignment of our portfolio to ₹ 11,339.6 million during FY2023 from ₹ 7,721.2 million during FY2022. Additionally, net gain on fair value changes increased by 35.5% to ₹ 317.9 million for FY2023 from ₹ 234.6 million for FY2022 primarily due to an increase in realized investments, as a result of an increase in investments made in liquid and overnight mutual funds.

Other income. Our other income, comprising miscellaneous, remained at ₹ 2.9 million for FY2023 and FY2022.

Expenses

Finance costs. Our finance costs increased by 5.0% to ₹7,991.9 million for FY2023 from ₹7,612.0 million for FY2022, primarily due to an increase in interest on borrowings (other than debt securities) by 6.8% to ₹5,934.6 million for FY2023 from ₹5,556.3 million for FY2022. This was primarily due to an increase in borrowings (other than debt securities). In addition, interest on non-convertible debentures increased by 5.0% to ₹ 1,782.4 million for FY2023 from ₹ 1,697.4 million for FY2022. The increase in interest on NDCs was due to increase in the outstanding balances of NCDs. These increases were partially offset by a lower average cost of borrowing, which decreased to 7.0% as of March 31, 2023, compared with 7.2% as of March 31, 2022. Our average total borrowing increased to ₹114,140.2 million as of March 31, 2023, compared with ₹ 105,245.3 million as of March 31, 2022.

Impairment on financial instruments. Our impairment on financial instruments increased by 1.0% to ₹492.1 million for FY2023 from ₹ 487.1 million for FY2022, primarily due to an increase in bad-debts written off by 210.1% to ₹187.3 million for FY2023 from ₹60.4 million for FY2022. For FY2023, provisions / write-offs in our portfolio of loans to developers for the year ended March 31, 2023, amounted to a gain of ₹ 75.4 million, compared to a loss of ₹ 209.1 million for the year ended March 31, 2022 due to recoveries in written off loans.

Employees benefits expense. Employees benefits expense increased by 29.7% to ₹ 3,220.1 million for FY2023 from ₹2,481.9 million for FY2022, primarily due to an increase in salaries, bonus and other allowances by 31.9% to ₹2,878.7 million for FY2023 from ₹2,182.9 million for FY2022. The increase in salaries, bonus and other allowances was due to an increase in the number of our employees for FY2023 compared with FY2022. Our on-roll employees increased to 3,663 as of March 31, 2023, as compared with 2,769 as of March 31, 2022. In FY2023, our company accrued a one-time special bonus of ₹250.0 million given to 353 employees in recognition of their contribution to our Company, after taking into account factors such as their criticality, performance and future delivery capability. This was treated as an exceptional item in the restated consolidated financial information considering its nature, frequency, and materiality.

Depreciation and amortization expense. Our depreciation and amortization expense increased by 24.5% to ₹ 164.9 million for FY2023 from ₹ 132.5 million for FY2022, primarily due to an increase in depreciation of right to use assets amounting to

₹96.9 million for FY2023 from ₹ 77.0 million for FY2022. Such increase was primarily on account of an addition in right of use assets amounting to ₹145.2 million for FY2023.

Other expenses. Our other expenses increased by 51.1% to ₹1,358.0 million for FY2023 from ₹ 898.5 million for FY2022, primarily due to an increase in travelling expenses by 53.0% to ₹ 178.6 million for FY2023 from ₹ 116.7 million for FY2022 as a result of resumed travelling activities following the relaxation of COVID-19 pandemic lockdown restrictions. Additionally, advertisement and business promotion expenses increased by 168.7% to ₹ 140.8 million for FY2023 from ₹ 52.4 million for FY2022 as we ramped up our marketing and promotion efforts, in line with our strategy to increase our number of customers and housing and other property loan disbursements for FY2023 as compared to FY2022.

Total tax expense. Our total tax expense increased by 23.3% to ₹1,510.6 million for FY2023 from ₹ 1,225.1 million for FY2022. For FY2023, we had a current tax expense of ₹1,571.1 million and a deferred tax credit of ₹ 60.5 million. For FY2022, we had a current tax expense of ₹1,254.5 million and a deferred tax expense of ₹29.4 million. Increase in total tax expenses was on account of increase in profit before tax by 22.6% to ₹ 6,958.2 million for FY2023 from ₹ 5,673.6 million for FY2022.

Profit for the period. As a result of the foregoing, our profit for the period increased by 22.5% to ₹ 5,447.6 million for FY2023 from ₹ 4,448.5 million for FY2022.

FY2022 compared to FY2021

Total Income

Our total income increased by 9.7% to ₹ 17,285.6 million for FY2022 from ₹15,755.5 million for FY2021.

Revenue from Operations. Our revenue from operations increased by 9.7% to ₹ 17,282.7 million for FY2022 from ₹ 15,753.3 million for FY2021, primarily due to an increase in interest income by 7.8%, to ₹ 15,382.9 million for FY2022 from ₹ 14,269.4 million for FY2021. The increase in interest income was primarily due to an increase in our interest on loans, which increased by 12.3% to ₹ 14,634.3 million from ₹13,033.6 million. This increase was in line with the growth in our Retail AUM which increased to ₹ 147,766.9 million as of March 31, 2022 from ₹ 133,252.2 million as of March 31, 2021 primarily on account of housing and other property loan disbursements of ₹ 39,919.3 million for FY2022 from ₹ 35,447.1 million for FY2021 and an increase in the number of customers to 204,135 as of March 31, 2022 from 182,471 as of March 31, 2021, partially offset by a decrease in average yield of housing and other property loans to 12.8% in FY2022 from 13.2% in FY2021. This increase was partly offset by a reduction in interest on fixed deposits of 43.2% to ₹ 689.0 million in FY2022 from ₹ 1,212.1 million in FY2021, primarily due to a decrease in investment in fixed deposit with banks and decrease in average interest rates on fixed deposits during FY2022.

Further, net gain on derecognition of financial instruments under amortized cost category increased by 45.7% to ₹ 929.6 million for FY2022 from ₹638.1 million for FY2021. This was primarily due to an increase in the fresh assignment of our portfolio to ₹ 7,721.2 million during FY2022 from ₹ 5,778.7 million during FY2021. Additionally, net gain on fair value changes increased by 167.2% to ₹ 234.6 million for FY2022 from ₹ 87.8 million for FY2021 primarily due to an increase in realized investments, as a result of increase in investment made in liquid and overnight mutual fund.

Other income. Our other income, comprising miscellaneous income, increased to ₹2.9 million for FY2022 from ₹ 2.2 million for FY2021.

Expenses

Finance costs. Our finance costs decreased by 6.7% to ₹ 7,612.0 million for FY2022 from ₹8,159.7 million for FY2021, primarily due to a decrease in interest on borrowings (other than debt securities) by 7.0% to ₹5,556.3 million for FY2022 from ₹5,974.7 million for FY2021. This was primarily due to a decrease in the cost of borrowing. In addition, interest on non-convertible debentures decreased by 5.7% to ₹ 1,697.4 million for FY2022 from ₹ 1,800.2 million for FY2021. The decrease in interest on NDCs was due to decrease in the outstanding balances of NCDs and lower interest rates on NCDs issued during FY2022. Our average cost of borrowing decreased to 7.2% as of March 31, 2022, compared with 8.2% as of March 31, 2021. Our average total borrowing increased to ₹105,245.3 million as of March 31, 2022, compared with ₹ 100,089.1 million as of March 31, 2021.

Impairment on financial instruments. Our impairment on financial instruments decreased by 11.3% to ₹487.1 million for FY2022 from ₹ 549.4 million for FY2021, primarily due to a decrease in impairment allowance on loans by 13.5% to ₹426.7 million for FY2022 from ₹493.5 million for FY2021. For FY2022, provisions / write-offs in our portfolio of loans to developers for the year ended March 31, 2022, amounted to a gain of ₹ 209.1 million, compared to a loss of ₹ 50.3 million for the year ended March 31, 2021 due to the recovery from our loan to developer portfolio for the year ended March 31, 2022. Additionally, we made provisions amounting to ₹ 251.4 million towards the impact of COVID-19 and the one-time restructuring of loans impacted by COVID-19 under the RBI mandated moratorium.

Employees benefits expense. Employees benefits expense increased by 31.4% to ₹ 2,481.9 million for FY2022 from ₹1,888.1 million for FY2021, primarily due to an increase in salaries, bonus and other allowances by 32.9% to ₹2,182.9 million for FY2022 from ₹1,642.0 million for FY2021. The increase in salaries, bonus and other allowances was due to an increase in the number of our employees for FY2022 compared with FY2021. Our on-roll employees increased to 2,769 as of March 31, 2022, as compared with 2,310 as of March 31, 2021.

Depreciation and amortization expense. Our depreciation and amortization expense increased by 18.4% to ₹ 132.5 million for FY2022 from ₹ 111.9 million for FY2021, primarily due to an increase in depreciation of right to use assets amounting to ₹77.0 million for FY2022 from ₹ 57.0 million for FY2021, primarily on account of an addition in right of use assets amounting to ₹62.5 million for FY2022.

Other expenses. Our other expenses increased by 24.6% to ₹898.5 million for FY2022 from ₹ 721.3 million for FY2021, primarily due to an increase in travelling expenses by 150.4% to ₹ 116.7 million for FY2022 from ₹ 46.6 million for FY2021, as we resumed some of our travelling activities by our employees following the relaxation of lockdown restrictions due to the COVID-19 pandemic, as well as an increase in goods and services tax by 47.1% to ₹ 113.1 million for FY2022 from ₹ 76.9 million for FY2021. Additionally, advertisement and business promotion expenses increased by 100.8% to ₹ 52.4 million for FY2022 from ₹ 26.1 million for FY2021 as we ramped up our marketing and promotion efforts, in line with our strategy to increase our number of customers and housing and other property loan disbursements for FY2022 as compared to FY2021.

Total tax expense. Our total tax expense increased by 32.6% to ₹1,225.1 million for FY2022 from ₹ 923.8 million for FY2021. For FY2022, we had a current tax expense of ₹1,254.5 million and a deferred tax credit of ₹ 29.4 million. For FY2021, we had a current tax expense of ₹934.6 million and a deferred tax credit of ₹10.8 million. Increase in total tax expenses was on account of increase in profit before tax by 31.2% to ₹ 5,673.6 million for FY2022 from ₹ 4,325.1 million for FY2022.

Profit for the period. As a result of the foregoing, our profit for the period increased by 30.8% to ₹ 4,448.5 million for FY2022 from ₹ 3,401.3 million for FY2021.

Financial Position

Our net worth was ₹ 26,927.6 million, ₹31,466.3 million, ₹ 36,976.0 million, ₹ 35,556.8 million and ₹ 42,491.0 million as of March 31, 2021, March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023, respectively.

Assets

The following table sets forth the principal components of our assets as of March 31, 2021, March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023:

(₹ in millions)

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Asset					
Financial assets					
Cash and cash equivalents	3,835.0	5,741.7	4,051.4	5,746.7	1,884.7
Other bank balances	17,877.8	11,359.9	15,128.6	10,971.6	10,332.8
Receivables	27.2	51.9	79.7	42.1	258.5
Housing and other loans(1)	106,132.6	119,603.4	138,514.5	134,092.2	159,094.5
Investments	4,970.9	3,380.2	4,594.0	4,173.9	4,706.7
Other financial assets	2,153.2	2,453.4	2,588.5	2,565.7	2,607.6
	134,996.7	**142,590.5**	**164,956.7**	**157,592.2**	**178,884.8**
Non-financial assets					
Current tax assets (Net)	342.8	242.2	88.2	153.7	81.2
Property, plant and equipment	163.9	208.1	247.5	227.2	282.7
Right to use assets	354.7	334.7	382.8	382.3	478.2
Other intangible assets	12.7	7.9	2.9	4.0	14.1
Deferred tax assets (Net)	2.8	2.8	2.6	2.1	3.0
Other non-financial assets	429.7	371.9	498.0	555.1	611.7
	1,306.6	**1,167.6**	**1,222.0**	**1,324.4**	**1,470.9**
Total assets	**136,303.3**	**143,758.1**	**166,178.7**	**158,916.6**	**180,355.7**

(1)Housing and other loans includes gross amount of loans to developers amounting to ₹18.8 million, ₹11.0 million, nil, nil and nil as of March 31, 2021,

March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023, respectively. We have discontinued loans to developers and no fresh loan sanctions were made in this category for FY2021, FY2022 and FY2023 and the nine months ended December 31, 2022 and December 31, 2023.

As of December 31, 2023, we had total assets of ₹ 180,355.7 million, compared to ₹ 158,916.6 million as of December 31, 2022. As of March 31, 2023, we had total assets of ₹ 166,178.7 million, compared to ₹ 143,758.1 million as of March 31, 2022 and ₹ 136,303.3 million as of March 31, 2021.

Financial Assets

Cash and cash equivalents

As of December 31, 2023, we had cash and cash equivalents of ₹ 1,884.7 million, compared to ₹ 5,746.7 million as of December 31, 2022. As of March 31, 2023, we had cash and cash equivalents of ₹ 4,051.4 million, compared to ₹ 5,741.7 million as of March 31, 2022 and ₹ 3,835.0 million as of March 31, 2021. The variations in cash and cash equivalents were primarily due to movements in balances with banks in deposits accounts with original maturity of less than three months, as we manage our liquidity position by adopting a holistic approach in monitoring and adjusting our financial assets and financial liabilities.

Other bank balances

As of December 31, 2023, we had other bank balances of ₹ 10,332.8 million, compared to ₹ 10,971.6 million as of December 31, 2022. As of March 31, 2023, we had other bank balances of ₹15,128.6 million, compared to ₹ 11,359.9 million as of March 31, 2022 and ₹ 17,877.8 million as of March 31, 2021. The variations in other bank balances were primarily due to movements in investments in fixed deposits with an original maturity of more than three months, as part of our asset and liability management measures.

Receivables

As of December 31, 2023, we had receivables of ₹ 258.5 million, compared to ₹ 42.1 million as of December 31, 2022. As of March 31, 2023, we had receivables of ₹ 79.7 million, compared to ₹ 51.9 million as of March 31, 2022 and ₹ 27.2 million as of March 31, 2021. The increases in receivables from March 31, 2022 to March 31, 2023 and further to December 31, 2023 was due to increases in trade receivables from intermediary service providers, which was in line with the increase in income in the corresponding periods.

Housing and other loans

As of December 31, 2023, we had housing and other loans of ₹ 159,094.5 million, compared to ₹ 134,092.2 million as of December 31, 2022. As of March 31, 2023, we had housing and other loans of ₹ 138,514.5 million, compared ₹ 119,603.4 million as of March 31, 2022 and ₹ 106,132.6 million as of March 31, 2021. The increases in housing and other loans from March 31, 2022 to March 31, 2023 and further to December 31, 2023 was primarily due to increased disbursement of housing and other loans in the corresponding periods.

Investments

As of December 31, 2023, we had investments of ₹ 4,706.7 million, compared to ₹ 4,173.9 million as of December 31, 2022. As of March 31, 2023, we had investments of ₹ 4,594.0 million, compared to ₹ 3,380.2 million as of March 31, 2022 and ₹ 4,970.9 million as of March 31, 2021. Our investments primarily consist of investments in quoted equity instruments, liquid and overnight debt mutual funds and Government securities. As per our investment policy, liquidity is managed by investments in the form of fixed deposits with banks and / or investment in debt mutual funds. The increase in investment from March 31, 2022 to March 31, 2023 and further to December 31, 2023 was on account of investment made in Government securities to meet the liquidity coverage ratio requirements. The decrease in investment from March 31, 2021 to March 31, 2022 was due to a decrease in investments in mutual funds, partially offset by an increase in investments in bonds placed to meet liquidity coverage ratio requirements.

Other financial assets

As of December 31, 2023, we had other financial assets of ₹ 2,607.6 million, compared to ₹ 2,565.7 million as of December 31, 2022. As of March 31, 2023, we had other financial assets of ₹ 2,588.5 million, compared to ₹ 2,453.4 million as of March 31, 2022 and ₹ 2,153.2 million as of March 31, 2021. The variations in other financial assets were primarily due to movements in receivable from assigned portfolio, which were in line with the increased outstanding balance in the assigned pool of housing and property loans.

Non-financial Assets Current tax assets (Net)

As of December 31, 2023, we had current tax assets (net) of ₹ 81.2 million, compared to ₹ 153.7 million as of December 31, 2022, ₹ 88.2 million as of March 31, 2023, ₹ 242.2 million as of March 31, 2022 and ₹ 342.8 million as of March 31, 2021. The decrease in current tax assets (net) from March 31, 2021 to March 31, 2022 and further to March 31, 2023 and to December 31, 2023 was primarily due to the income tax refunds receivable upon processing of the income tax returns filed by the Company being processed.

Property, plant and equipment

As of December 31, 2023, we had property, plant and equipment of ₹ 282.7 million, compared to ₹ 227.2 million as of December 31, 2022, ₹ 247.5 million as of March 31, 2023, ₹ 208.1 million as of March 31, 2022 and ₹ 163.9 million as of March 31, 2021. The increase in property, plant and equipment from March 31, 2021 to March 31, 2022 and further to March 31, 2023 and to December 31, 2023 was primarily due to addition of assets in FY2022 and FY2023 and during the nine months ended on December 31, 2023, which was in line with the expansion of our branches and sales offices network.

Right to Use Assets

As of December 31, 2023, we had right to use assets of ₹ 478.2 million, compared to ₹ 382.3 million as of December 31, 2022, ₹ 382.8 million as of March 31, 2023, ₹ 334.7 million as of March 31, 2022 and ₹ 354.7 million as of March 31, 2021. The increase in right to use assets from March 31, 2021 to March 31, 2022 and further to March 31, 2023 and to December 31, 2023 was primarily due to addition of assets in FY2022 and FY2023 and during the nine months ended on December 31, 2023, which was in line with the expansion of our branches and sales offices network.

Other Intangible Assets

As of December 31, 2023, we had other intangible assets of ₹ 14.1 million, compared to ₹ 4.0 million as of December 31, 2022, ₹ 2.9 million as of March 31, 2023, ₹ 7.9 million as of March 31, 2022 and ₹ 12.7 million as of March 31, 2021. The decrease in other intangible assets from March 31, 2021 to March 31, 2022 and further to March 31, 2023 was primarily due to depreciation and amortization of intangible assets. The increase in other intangible assets from March 31, 2023 to December 31, 2023 was primarily due to addition of intangible assets amounting to ₹ 15.6 million during the nine months ended December 31, 2023.

Deferred Tax Assets (net)

As of December 31, 2023, we had deferred tax assets (net) of ₹ 3.0 million, compared to ₹ 2.1 million as of December 31, 2022, ₹ 2.6 million as of March 31, 2023, ₹ 2.8 million as of March 31, 2022 and ₹ 2.8 million as of March 31, 2021.

Other non-financial assets

As of December 31, 2023, we had other non-financial assets of ₹ 611.7 million, compared to ₹ 555.1 million as of December 31, 2022, ₹ 498.0 million as of March 31, 2023, ₹ 371.9 million as of March 31, 2022 and ₹ 429.7 million as of March 31, 2021. Other non-financial assets consists of a one-time ₹ 53.8 million of receivables from the government towards ex-gratia payments as of March 31, 2021. In October 2020, in order to mitigate the adverse impact of COVID-19 on borrowers, the Government of India announced a scheme for the grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts, which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by respective lending institutions by November 5, 2020. Under this scheme, we have disclosed the ex-gratia amount as a receivable under other non- financial assets. Additionally, other non-financial assets include ₹ 260.7 million of unamortized share issue expenses in connection with the Offer as of December 31, 2023.

Liabilities and Provisions

The following table sets forth the principal components of our liabilities as of March 31, 2021, 2022 and 2023 and December 31, 2022 and December 31, 2023:

(₹ in million)

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Financial Liabilities:					
Trade Payables	386.8	510.0	805.0	650.8	848.7
Debt Securities	21,403.1	17,642.9	25,421.3	23,594.4	23,417.4
Borrowings (other than debt securities)	81,104.1	88,189.7	95,427.3	92,870.3	107,245.7

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
Deposits	405.6	79.9	31.2	35.2	16.8
Subordinated Liabilities	831.9	833.4	654.7	654.8	596.0
Other Financial Liabilities	4,774.9	4,552.0	6,384.7	5,043.6	5,238.5
	108,906.4	**111,807.9**	**128,724.2**	**122,849.1**	**137,363.1**
Non-Financial Liabilities:					
Current tax liabilities (net)	-	-	-	-	1.2
Provisions	125.0	139.0	174.9	159.9	221.2
Deferred tax liabilities (net)	178.1	153.1	94.4	149.7	60.5
Other non-financial liabilities	165.6	191.2	208.6	200.5	218.1
	468.7	**483.3**	**477.9**	**510.1**	**501.0**

Financial Liabilities Trade Payables

As of December 31, 2023, we had trade payables of ₹ 848.7 million, compared to ₹ 650.8 million as of December 31, 2022, ₹ 805.0 million as of March 31, 2023, ₹ 510.0 million as of March 31, 2022 and ₹ 386.8 million as of March 31, 2021. The increases in trade payables were in line with the growth of our retail AUM.

Debt Securities

As of December 31, 2023, we had debt securities of ₹ 23,417.4 million, compared to ₹ 23,594.4 million as of December 31, 2022, ₹ 25,421.3 million as of March 31, 2023, ₹ 17,642.9 million as of March 31, 2022 and ₹ 21,403.1 million as of March 31, 2021. The decreases in debt securities from March 31, 2021 to March 31, 2022 and from March 31, 2023 to December 31, 2023 were primarily due to repayment of debt securities on relevant maturity dates. The increase in debt securities from March 31, 2022 to March 31, 2023 was primarily due to a fresh issuance of debt securities of ₹ 9,170.0 million in FY2023.

Borrowings (other than debt securities)

As of December 31, 2023, we had borrowings (other than debt securities) of ₹ 107,245.7 million, compared to ₹ 92,870.3 million as of December 31, 2022, ₹ 95,427.3 million as of March 31, 2023, ₹ 88,189.7 million as of March 31, 2022 and ₹ 81,104.1 million as of March 31, 2021. The increase in borrowings (other than debt securities) from March 31, 2021 to March 31, 2022 and further to March 31, 2023 and December 31, 2023 was primarily due to increase in loans from banks and NHB.

Deposits

As of December 31, 2023, we had deposits of ₹ 16.8 million, compared to ₹ 35.2 million as of December 31, 2022, ₹ 31.2 million as of March 31, 2023, ₹ 79.9 million as of March 31, 2022 and ₹ 405.6 million as of March 31, 2021. We were allowed to accept fresh deposit from the public until May 2019. Subsequent to May 2019, as part of the change in our ownership in June 2019, we are not permitted by the NHB to accept fresh fixed deposits. Hence, since May 2019, we are making payment on existing fixed deposits as per their contractual terms, while not accepting any new deposits.

Subordinated Liabilities

As of December 31, 2023, we had subordinated liabilities of ₹ 596.0 million, compared to ₹ 654.8 million as of December 31, 2022, ₹ 654.7 million as of March 31, 2023, ₹ 833.4 million as of March 31, 2022 and ₹ 831.9 million as of March 31, 2021. The decrease in subordinated liabilities from March 31, 2021 to March 31, 2022 and further to March 31, 2023 and December 31, 2023 was primarily due to repayment of liabilities on maturity dates.

Other Financial Liabilities

As of December 31, 2023, we had other financial liabilities of ₹ 5,238.5 million, compared to ₹ 5,043.6 million as of December 31, 2022, ₹ 6,384.7 million as of March 31, 2023, ₹ 4,552.0 million as of March 31, 2022 and ₹ 4,774.9 million as of March 31, 2021. Other financial liabilities primarily include book overdraft of ₹ 2,313.5 million as of December 31, 2023, compared to ₹ 2,772.0 million as of December 31, 2022, ₹ 3,590.8 million as of March 31, 2023, ₹ 1,962.3 million as of March 31, 2022 and ₹ 2,262.5 million as of March 31, 2021. Book overdraft refers to uncleared payments on balance sheet date reduced by balance maintained in payment account. The increases in book overdraft from March 31, 2022 to March 31, 2023 and from December 31, 2022 to December 31, 2023 were on account of an increase in uncleared cheque (net of balance maintained in payment accounts), and the decrease in book overdraft from March 31, 2021 to March 31, 2022 was on account of a decrease in uncleared cheque (net of balance maintained in payment accounts).

Provisions

As of December 31, 2023, we had provisions of ₹ 221.2 million, compared to ₹ 159.9 million as of December 31, 2022, ₹

174.9 million as of March 31, 2023, ₹ 139.0 million as of March 31, 2022 and ₹ 125.0 million as of March 31, 2021. The increase in provisions was primarily on account of provisions for employees' compensated absences and gratuity.

Deferred tax liabilities (net)

As of December 31, 2023, we had deferred tax liabilities (net) of ₹ 60.5 million, compared to ₹ 149.7 million as of December 31, 2022, ₹ 94.4 million as of March 31, 2023, ₹ 153.1 million as of March 31, 2022 and ₹ 178.1 million as of March 31, 2021.

Other non-financial liabilities

As of December 31, 2023, we had other non-financial liabilities of ₹ 218.1 million, compared to ₹ 200.5 million as of December 31, 2022, ₹ 208.6 million as of March 31, 2023, ₹ 191.2 million as of March 31, 2022 and ₹ 165.6 million as of March 31, 2021. The increase in other non-financial liabilities from March 31, 2021 to March 31, 2022 and further to March 31, 2023 and December 31, 2023 was primarily due to increase in liabilities towards statutory dues.

Equity

Our Equity Share Capital was ₹ 3,947.6 million as of December 31, 2023, March 31, 2023, December 31, 2022, March 31, 2022 and March 31, 2021. As of December 31, 2023, our Other Equity was ₹ 38,544.0 million, compared to ₹ 31,609.8 million as of December 31, 2022, ₹ 33,029.0 million as of March 31, 2023, ₹ 27,519.3 million as of March 31, 2022 and ₹ 22,980.6 million as of March 31, 2021. The increase in other equity was primarily due to increase in retained earnings and statutory reserve.

Liquidity and Capital Resources

In the past, we have funded our liquidity and capital requirements primarily through shareholder capital and funds generated from operations, and indebtedness, including term loans from banks, non-convertible debentures, commercial paper, cash credit, subordinated debt, refinancing from NHB and short-term loans from banks and financial institutions. We also undertake the direct assignment of loan receivables to generate additional funds. In addition to funds required for the disbursement of loans to our customers in the ordinary course of business, our material cash requirements include our financial indebtedness, contractual commitments, contingent liabilities and capital expenditures. See "—*Financial Indebtedness*","—*Contractual Commitments*", "—*Contingent Liabilities*" and "—*Capital Expenditure*" for further details. We intend to continue to fund our liquidity and capital requirements through shareholder capital and funds generated from operations, and indebtedness, including term loans from banks, non-convertible debentures, commercial paper, cash credit, subordinated debt, refinancing from NHB and short-term loans from banks and financial institutions, as well as the direct assignment of loan receivables. We believe that our working capital is sufficient for our present requirements.

We actively manage our liquidity and capital position by raising funds periodically. We regularly monitor our funding levels to ensure that we are able to satisfy the requirements for loan disbursements and maturity of our liabilities. All our loan agreements and debentures contain a number of covenants including financial covenants. For details, see "*Financial Indebtedness*" on page 360 and "*Risk Factors – Our indebtedness and conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations*" on page 29.

Cash Flows

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

(₹ in million)

	FY			**For the nine months ended**	
	2021	**2022**	**2023**	**December 31, 2022**	**December 31, 2023**
Net cash used in operating activities	(12,022.9)	(9,067.5)	(11,556.9)	(10,065.7)	(16,582.2)
Net cash generated from / (used in) investing activities	(4,804.8)	8,225.7	(4,765.3)	(228.0)	4,805.7
Net cash generated from financing activities	7,013.9	2,748.5	14,631.9	10,298.7	9,609.8
Net (decrease) / increase in cash and cash equivalents	(9,813.8)	1,906.7	(1,690.3)	5.0	(2,166.7)

Operating Activities

Net cash used in operating activities was ₹ 16,582.2 million for the nine months ended December 31, 2023. While our net profit before tax was ₹ 7,009.8 million for the nine months ended December 31, 2023, we had an operating profit before working capital changes of ₹ 7,533.1 million, primarily due to impairment on financial instruments and loss on sale of asset held for sale of ₹ 453.7 million and depreciation and amortization of ₹ 152.2 million. Our changes in working capital for the nine months ended December 31, 2023 primarily consisted of a decrease in other financial and non-financial liabilities and provisions of ₹ 1,129.8 million, an increase in trade receivables of ₹ 178.8 million and an increase in other financial and non-financial assets of ₹ 479.9 million. In addition, we paid tax amounting to ₹ 1,558.0 million. Our net cash flow generated from operations before movement in housing and other loans amounted to ₹ 4,186.6 million. Housing and other property loans disbursed amounted to ₹ 49,040.6 million, housing and other property loan repayments amounted to ₹ 16,964.8 million and proceeds from assignment of portfolio amounted to ₹ 11,307.0 million.

Net cash used in operating activities was ₹ 10,065.7 million for the nine months ended December 31, 2022. While our net profit before tax was ₹ 5,162.6 million for the nine months ended December 31, 2022, we had an operating profit before working capital changes of ₹ 5,659.9 million, primarily due to impairment on financial instruments and loss on sale of asset held for sale of ₹ 552.8 million and depreciation and amortization expense of ₹ 120.8 million. Our changes in working capital for the nine months ended December 31, 2022 primarily consisted of an increase in other financial and non-financial liabilities and provisions of ₹ 588.7 million, an increase in other financial and non-financial assets of ₹ 374.2 million and an increase in trade receivables of ₹ 9.8 million. In addition, we paid tax amounting to ₹ 1,039.6 million. Our net cash flow used in operations before movement in housing and other loans amounted to ₹ 4,844.6 million. Housing and other property loans disbursed amounted to ₹ 39,453.6 million, housing and other property loan repayments amounted to ₹ 16,376.4 million and proceeds from assignment of portfolio amounted to ₹ 8,166.9 million.

Net cash used in operating activities was ₹ 11,556.9 million for FY2023. While our net profit before tax was ₹ 6,958.2 million for FY2023, we had an operating profit before working capital changes of ₹ 7,385.7 million, primarily due to impairment on financial instruments and loss on sale of asset held for sale of ₹ 492.1 million, profit on sale of investment in mutual fund and other investments amounting to ₹ 317.9 million and depreciation and amortization expense of ₹ 164.9 million. Our changes in working capital for FY2023 primarily consisted of an increase in other financial and non-financial liabilities and provisions of ₹ 2,106.8 million and an increase in other financial and non-financial assets of ₹ 325.8 million. In addition, we paid tax amounting to ₹ 1,417.1 million. Our net cash flow generated from operations before movement in housing and other loans amounted to ₹ 7,721.8 million. Housing and other property loans disbursed amounted to ₹ 59,026.1 million, housing and other property loan repayments amounted to ₹ 27,123.4 million and proceeds from assignment of portfolio amounted to ₹ 12,624.0 million.

Net cash used in operating activities was ₹ 9,067.5 million for FY2022. While our net profit before tax was ₹ 5,673.6 million for FY2022, we had an operating profit before working capital changes of ₹ 6,166.5 million, primarily due to impairment on financial instruments and loss on sale of asset held for sale of ₹ 487.1 million, profit on sale of investment in mutual fund and other investments amounting to ₹ 234.6 million and depreciation and amortization expense of ₹ 132.5 million. Our changes in working capital for FY2022 primarily consisted of an increase in other financial and non-financial liabilities and provisions of ₹ 106.9 million, and an increase in other financial and non-financial assets of ₹ 1,237.0 million. In addition, we paid tax amounting to ₹ 1,153.9 million. Our net cash flow generated from operations before movement in housing and other loans amounted to ₹ 3,857.8 million. Housing and other property loans disbursed amounted to ₹ 39,919.3 million, housing and other property loan repayments amounted to ₹ 19,272.8 million and proceeds from assignment of portfolio amounted to ₹ 7,721.2 million.

Net cash used in operating activities was ₹ 12,022.9 million for FY2021. While our net profit before tax was ₹ 4,325.1 million for FY2021, we had an operating profit before working capital changes of ₹ 4,984.5 million, primarily due to impairment on financial instruments and loss on sale of asset held for sale of ₹ 550.6 million, depreciation and amortization expense of ₹ 111.9 million and profit on sale of investment in mutual fund and other investments amounting to ₹ 87.8 million. Our changes in working capital for FY2021 primarily consisted of an increase in other financial and non-financial liabilities and provisions of ₹ 1,838.4 million and an increase in other financial and non-financial assets of ₹ 318.7 million. In addition, we paid tax amounting to ₹ 998.7 million. Our net cash flow generated from operations before movement in housing and other loans amounted to ₹ 5,519.1 million. Housing and other property loans disbursed amounted to ₹ 35,447.1 million, housing and other property loan repayments amounted to ₹ 12,126.4 million and proceeds from direct assignment amounted to ₹ 5,778.7 million.

Investing Activities

Net cash generated from investing activities was ₹ 4,805.7 million for the nine months ended December 31, 2023, primarily comprising proceeds received on sale/redemption of investments amounting to ₹ 37,792.4 million and investment in fixed deposits (net of maturities) amounting to ₹ 4,795.8 million, partially offset by payment towards purchase of investments amounting to ₹ 37,668.8 million.

Net cash used in investing activities was ₹ 228.0 million for the nine months ended December 31, 2022, primarily comprising payment towards purchase of investments amounting to ₹ 69,482.3 million, partially offset by proceeds received on sale/redemption of investments amounting to ₹ 68,932.5 million and investment in fixed deposits (net of maturities) amounting to ₹ 388.3 million.

Net cash used in investing activities was ₹ 4,765.3 million for FY2023, primarily comprising payment towards purchase of investments amounting to ₹ 83,975.8 million, partially offset by proceeds received on sale/redemption of investments amounting to ₹ 83,079.9 million.

Net cash generated from investing activities was ₹ 8,225.7 million for FY2022, primarily comprising proceeds received on sale/redemption of investments amounting to ₹ 67,056.3 million and investment in fixed deposits (net of maturities) amounting to ₹ 6,517.9 million, partially offset by payment towards purchase of investments amounting to ₹ 65,231.0 million.

Net cash used in investing activities was ₹ 4,804.8 million for FY2021, primarily comprising payment towards purchase of investments amounting to ₹ 25,180.0 million, partially offset by proceeds received on sale/redemption of investments amounting to ₹ 20,537.4 million.

Financing Activities

Net cash generated from financing activities was ₹ 9,609.8 million for the nine months ended December 31, 2023, primarily comprising proceeds from loan from bank/ institution/ NHB amounting to ₹ 28,215.3 million and proceeds from NCDs amounting to ₹ 8,750.0 million, partially offset by repayment of loan from banks/ institutions/ NHB of ₹ 16,418.6 million and repayment of loans to NCDs amounting to ₹ 10,822.7 million.

Net cash generated from financing activities was ₹ 10,298.7 million for the nine months ended December 31, 2022, primarily comprising proceeds from loans from banks/ institutions/ NHB amounting to ₹ 18,640.0 million and proceeds from NCDs amounting to ₹ 7,020.0 million, partially offset by repayment of loans to banks/ institutions/ NHB amounting to ₹ 13,977.6 million and repayment of NCDs amounting ₹ 1,205.0 million.

Net cash generated from financing activities was ₹ 14,631.9 million for FY2023, primarily comprising proceeds from loans from banks/ institutions/ NHB amounting to ₹ 29,850.0 million and proceeds from NCDs amounting to ₹ 9,170.0 million, partially offset by repayment of loans to banks/ institutions/ NHB amounting to ₹ 22,637.1 million and repayment of NCDs amounting ₹ 1,530.0 million.

Net cash generated from financing activities was ₹ 2,748.5 million for FY2022, primarily comprising proceeds from loans from banks/ institutions/ NHB amounting to ₹ 34,150.0 million and proceeds from NCDs amounting to ₹4,190.0 million, partially offset by repayment of loans to banks/ institutions/ NHB amounting to ₹ 27,130.3 million and repayment of NCDs amounting ₹ 8,001.9 million.

Net cash generated from financing activities was ₹ 7,013.9 million for FY2021, primarily comprising proceeds from loans from banks/ institutions/ NHB amounting to ₹ 27,859.7 million and proceeds from NCDs amounting to ₹ 8,150.0 million, partially offset by repayment of loans to banks/ institutions/ NHB amounting to ₹ 24,621.1 million and repayment of NCDs amounting ₹ 3,858.3 million.

Financial Indebtedness

As of March 31, 2021, March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023, our total borrowings amounted to ₹ 103,744.7 million, ₹ 106,745.9 million, ₹ 121,534.5 million, ₹ 117,154.7 million and ₹ 131,275.9 million respectively, comprising debt securities amounting to ₹ 21,403.1 million, ₹ 17,642.9 million, ₹ 25,421.3 million, ₹ 23,594.4 million and ₹ 23,417.4 million, borrowings (other than debt securities) amounting to ₹ 81,104.1 million, ₹ 88,189.7 million, ₹ 95,427.3 million, ₹ 92,870.3 million and ₹ 107,245.7 million, subordinated liabilities (redeemable non-convertible debentures) amounting to ₹ 831.9 million, ₹ 833.4 million, ₹ 654.7 million, ₹ 654.8 million and ₹ 596.0 million and deposits amounting to ₹ 405.6 million, ₹ 79.9 million, ₹ 31.2 million, ₹ 35.2 million and ₹ 16.8 million, respectively. For details, see "*Financial Indebtedness*" on page 360.

Financial Liabilities

The following table sets forth certain information relating to our financial liabilities as of December 31, 2023, and our repayment obligations in the periods indicated:

(₹ in million)

		Payments due by period			
Particulars	**Carrying value**	**Within 1 year**	**Within 1 to 3 years**	**Within 3 to 5 years**	**More than 5 years**
Financial Liabilities					
Trade payables	848.7	848.7	-	-	-
Debt securities	23,417.4	3,404.0	14,253.5	4,882.4	877.5
Borrowings (other than debt securities)	1,07,245.7	19,642.3	37,631.3	28,183.8	21,788.3
Deposits	16.8	11.6	4.1	0.9	0.2

Subordinated liabilities	596.0	-	596.0	-	-
Other financial liabilities	5,238.5	4,842.3	153.9	105.3	137.0
Total	**1,37,363.1**	**28,748.9**	**52,638.8**	**33,172.4**	**22,803.0**

Contractual Commitments

Our commitments are future liabilities for contractual expenditure. The following table sets forth our commitments for the periods indicated:

(₹ in million)

Particulars	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023	As at December 31, 2022	As at December 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	82.8	36.1	48.2	23.0	16.0
Undisbursed amount of loans sanctioned and partly disbursed	3,922.7	5,595.7	9,007.1	6,455.2	8,603.1
Undisbursed amount of loans sanctioned but not disbursed	5,147.0	5,303.3	7,847.8	6,491.4	7,148.0
Total	**9,152.5**	**10,935.1**	**16,903.1**	**12,969.6**	**15,767.1**

Direct Assignment Arrangements

We assign loans through direct assignment to banks and financial institutions, which enables us to optimize our cost of borrowings, funding and liquidity requirements, capital management and asset liability management. During FY2021, FY2022 and FY2023 and the nine months ended December 31, 2022 and December 31, 2023, we had assigned assets worth ₹ 5,778.7 million, ₹ 7,721.2 million, ₹ 11,339.6 million, ₹ 7,780.8 million and ₹ 8,000.5 million, respectively.

Contingent Liabilities

As of March 31, 2021, March 31, 2022, March 31, 2023, December 31, 2022 and December 31, 2023, our contingent liabilities that have not been provided for, as per Ind AS-37 issued by ICAI, are as set out in the table below:

(₹ in millions)

	As of				
	March 31, 2021	March 31, 2022	March 31, 2023	December 31, 2022	December 31, 2023
Particulars					
Income tax matters of earlier years[(1)]	2.1	35.7	37.8	37.8	30.0
Indirect tax matters of earlier years	-	21.6	52.1	48.2	113.6
Total[(1)]	**2.1**	**57.3**	**89.9**	**86.0**	**143.6**

(1) Part of the aforementioned contingent liabilities towards income tax have been paid under protest.

Off-Balance Sheet Commitments and Arrangements

Except as disclosed above in "—*Direct Assignment Arrangements*" and "- *Contractual Commitments*", we do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Capital Expenditure

Capital expenditure primarily relates to purchase of property, plant and equipment and intangible assets. The capital expenditure is funded through cash generated from operations and external financing such as long-term loans.

In FY2021, FY2022 and FY2023 and nine months ended December 31, 2022 and December 31, 2023, we incurred capital expenditure of ₹ 49.9 million, ₹ 97.0 million, ₹ 105.2 million, ₹ 66.0 million and ₹ 113.7 million, primarily for purchase of property, plant and equipment and intangible assets. We have budgeted capital expenditure of approximately ₹267.9 million in FY2024, which we intend to use towards purchase of property, plant and equipment and intangible assets.

Capital to Risk Weighted Assets Ratios

The following table sets forth our capital to risk weighted assets ratios for the periods indicated:

	As of				
	March 31, 2021	**March 31, 2022**	**March 31, 2023**	**December 31, 2022**	**December 31, 2023**
CRWAR* (%)[(1)]	44.1%	45.4%	42.7%	44.9%	39.7%
CRWAR - Tier I capital (%)[(2)]	42.6%	44.2%	41.7%	43.9%	38.9%
CRWAR - Tier II capital (%)[(3)]	1.5%	1.2%	1.1%	1.0%	0.8%
Amount of subordinated debt qualified as Tier – II capital (₹ in million)	660.0	492.0	360.0	360.0	240.0

Notes:
(1) CRWAR (Capital to Risk Weighted Asset Ratio) % = Tier 1 Capital and Tier II Capital/ Risk Weighted Assets
(2) CRWAR (Capital to Risk Weighted Asset Ratio) – Tier I Capital % = Tier 1 Capital / Risk Weighted Assets
(3) CRWAR (Capital to Risk Weighted Asset Ratio) – Tier II Capital % = Tier II Capital / Risk Weighted Assets
** On standalone basis*

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risks during the normal course of business such as liquidity risk, credit risk and interest rate risk.

Liquidity risk

Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

We manage liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Given the need to fund diverse products, we maintain flexibility in funding by maintaining availability under committed credit lines to meet obligations when due. We regularly monitor the position of cash and cash equivalents vis-à-vis projections. We also consider the maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of balance sheet liquidity ratios while reviewing the liquidity position.

We manage our liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the Board of Directors. We periodically review the asset liability management policy to incorporate changes as required by regulatory stipulation or to realign the policy with changes in the economic landscape. Our Asset Liability Committee formulates and reviews strategies and provides guidance for management of liquidity risk within the framework laid out in the Asset Liability Management Policy.

Interest risk

Our core business is providing housing and other mortgage loans. We borrow through various financial instruments to finance our core lending activity. These activities expose us to interest rate risk.

We measure interest rate risk through earnings at risk from an earnings perspective and through duration of equity from an economic value perspective. Further, we also measure exposure to fluctuations in interest rates by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of balance sheet positions. We prepare an interest rate sensitivity gap report by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioral maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities. We monitor the interest rate risk through these measures on a quarterly basis. The following table shows the split of our assets and borrowings in terms of interest basis (i.e., fixed or floating rate) as of December 31, 2023:

Type	Gross AUM	Borrowings
Fixed	17.0%	21.4%
Floating	83.0%	78.6%

Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to us. In our lending operations, we are principally exposed to credit risk. The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

We measure, monitor and manage credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is managed at the portfolio level for both home loans and other property loans. We have a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. Our Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the credit risk.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*Significant Factors Affecting our Results of Operations*" above and the uncertainties described in "*Risk Factors*" on page 24. To our knowledge, except as disclosed in this Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 24, 151 and 335, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Other than as disclosed in this section and in "*Our Business*" on page 151, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Dependence on a Few Customers

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers.

Seasonality of Business

While our business is not subject to seasonality, we typically see some higher borrowings by our Customers and higher disbursements of loans during the fourth quarter of each financial year. We also typically have higher drawdowns under our borrowing facilities in the fourth quarter of each financial year.

Competitive Conditions

We operate in a competitive environment. Please refer to "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 151, 118 and 24, respectively for further information on our industry and competition.

Significant developments subsequent to December 31, 2023

Except as disclosed in this section, and elsewhere in this Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements disclosed in this Red Herring 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 12 months.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at December 31, 2023, derived from our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Restated Consolidated Financial Information*" and "*Risk Factors*" beginning on pages 335, 237 and 24, respectively.

(₹ in million)

Particulars	Pre-Offer as at December 31, 2023	As adjusted for the proposed Offer (1)
Total Borrowings		[●]
Current borrowings (Maturity within 12 months)	23,057.9	[●]
Non-current borrowings (Maturity after 12 months) (A)	108,218.0	[●]
Total Borrowings (B)	131,275.9	[●]
Total Equity		
Equity share capital	3,947.6	[●]
Other equity*	38,543.4	[●]
Total Equity/ Total shareholders' fund (net worth) (C)**	**42,491.0**	
Ratio: Non-current Borrowings (A) / Total Equity (C)	2.5	[●]
Ratio: Total Borrowings (B) / Total Equity (C)	3.1	[●]

* *Other equity excludes capital reserve on amalgamation.*

** *Total Equity/Total shareholders' fund (net worth) excludes capital reserve on amalgamation*

Notes:

1. *The corresponding post Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*
2. *The amounts disclosed above are based on the restated consolidated statement of assets and liabilities included in the Restated Consolidated Financial Information.*
3. *The above statement should be read with the statement of notes to the Restated Consolidated Financial Information.*

FINANCIAL INDEBTEDNESS

Our Company is an HFC focused on the low income housing segment (ticket size less than ₹1.5 million) and accordingly, has availed loans in the ordinary course of its business for the purposes of onward lending and general corporate purposes.

Pursuant to a resolution passed by our shareholders in their AGM held on August 9, 2023, and our Board in their meeting held on November 7, 2023, our Board is authorised to borrow from time to time all such sums of money together with the monies already borrowed by our Company (apart from the temporary loans, overdrafts obtained or to be obtained from our Company's bankers in the ordinary course of business), which may exceed the aggregate of the paid-up capital and free reserves of our Company (reserves not set apart for any specific purposes), provided that the total amount up to which monies may be borrowed by our Board shall not exceed ₹ 200,000 million or up to 12 times of the net owned fund of our Company or such multiples, whichever is lower, as per the relevant notifications, directions, circulars or guidelines issued by NHB in this regard.

The following table sets forth details of the aggregate outstanding borrowings of our Company as of March 31, 2024:

(₹ in million)

Facility	Sanctioned Amount	Outstanding Amount
Term loans from banks	1,29,600.0	76,289.6
Term loans from NHB	61,989.4	35,310.4
Secured NCDs*	29,008.4	27,388.0
Unsecured NCDs*	600.0	596.0
Fixed Deposits	12.3	12.3
Total	**2,21,210.1**	**1,39,596.3**

* *Certain NCDs are listed on the wholsesale debt segment of BSE.*

\# *As certified by S K Patodia & Associates LLP pursuant to their certificate dated April 30, 2024.*

Principal terms of the borrowings availed by our Company

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

1. ***Interest***: The interest rate for term loans is typically from 7.3% to 10.0% per annum and for NHB sanctioned refinance is typically from 2.8% to 8.9% per annum, which is linked to the REPO, T-bill, marginal cost of funds-based lending rate or prime lending rates of the respective lenders. In terms of the cash credit facilities availed of by us, the interest rate is typically on a floating rate basis. Further, in terms of the refinance assistance availed from NHB, the refinance assistance is provided either on a fixed or floating interest rate depending upon NHB's lending rate prevailing for the respective refinance schemes on the date of each disbursement.

   Our Company has also issued NCDs to various subscribers. For such borrowings, we enter into debenture trust deeds ("**DTDs**") and, in terms of such DTDs, a specified interest or coupon rate is to be paid per annum. The interest rate for the NCDs issued by our Company ranges from 6.9% to 10.0% per annum.

2. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to create security primarily by way of first hypothecation or *pari passu* charge, on our Company's book debts, receivables, current assets, investments, cash and bank balances, as the case maybe. There may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

3. ***Prepayment:*** We have the option to prepay the lenders, subject to payment of prepayment charges at such rate as may be stipulated by the lenders which typically ranges up to 2% of the amount prepaid. Further, some loans may be prepaid without any prepayment charges subject to the fulfilment of conditions, including by providing prior notice to the lender. In relation to the NCDs, if the Company is required to redeem the NCDs prior to the expiry of redemption period, it is required to obtain all necessary approvals under applicable laws, including but not limited to, written approval from the RBI, in relation to such early redemption.

4. ***Re-payment:*** The cash credit facilities are typically repayable on demand. The repayment period for most term loans and NHB sanctioned refinance typically ranges from four to 16 years and five to 15 years, respectively. We are required to repay the amounts in such instalments as per the repayment schedule stipulated in the relevant loan documentation. Further, the redemption period for the NCDs ranges from three to 10 years.

5. ***Key covenants:***

   In terms of our facility agreements, sanction letters and the DTDs, we are required to comply with various financial covenants, restrictive covenants and conditions restricting certain corporate actions, and we are required to take the lender's/trustee's prior consent and/or intimate the respective lender or trustee before carrying out such actions, including, but not limited to the following:

(a) take the prior consent of lenders or trustees (on behalf of debenture holders) to effect any adverse changes to or alter its capital structure;
(b) take the prior consent of lenders or trustees (on behalf of debenture holders) to formulate or effect any scheme of amalgamation or merger or reconstruction;
(c) take the prior consent of lenders to approach capital market for mobilizing additional resources either in the form of debts or equity;
(d) take the prior consent of lenders to undertake any activity other than the activities indicated in the objects clause of the memorandum of association of our Company;
(e) take the prior consent of lenders or trustees (on behalf of debenture holders) for any transfer of the controlling interest or the management set up;
(f) provide the lenders copies of structural liquidity statements submitted to NHB;
(g) take the prior consent of lenders to undertake guarantee obligations on behalf of any other person;
(h) declaration of dividends or distribution of profits except where the instalments of principal and interest payable to a particular lender or to debenture holders is being paid regularly and there are no irregularities in relation thereto; and
(i) take the prior consent of lenders or trustee (on behalf of debenture holders) to make any amendments to the memorandum of association and articles of association.

Further, some of our Shareholders (including our Promoter) may be required to take prior consent from respective lenders for transferring all or a part of their shareholding in the Offer.

6. ***Events of Default:***

In terms of our facility agreements, sanction letters and refinance documents and the DTDs, the following, among others, constitute events of default:

(a) failure and inability to pay amounts on the due date by our Company;
(b) failure in performance of any covenant, condition or agreement on the part of our Company;
(c) failure in compliance with RBI/NHB norms at any time during the currency of the loan;
(d) misrepresentation or providing incorrect or misleading information by our Company;
(e) cessation or change in business;
(f) change in control of our Company or of any other person who controls our Company without the approval of the lenders;
(g) the occurrence of any cross-default;
(h) upon occurrence of any event that may have a material adverse effect; and
(i) downgrading in our credit rating below the specified limit or deterioration in the credit worthiness of our Company in the sole opinion of lenders.

7. ***Consequences of occurrence of events of default:***

In terms of our facility agreements, sanction letters and DTDs, the following, among others, are the consequences of occurrence of events of default, our lenders may:

(a) declare all parts of the loan together with accrued interest outstanding as immediately due and payable;
(b) enforce their security over the hypothecated / mortgaged assets;
(c) appoint nominee directors;
(d) review the management set up or organisation of our Company and may require our Company to restructure *inter alia* the formation of management;
(e) convert the debt into equity in conformity with RBI guidelines;
(f) declare our Company, the Promoter and Directors as non-co-operative borrower and report such classification to the RBI and/or any other agency authorised in this behalf by the RBI; and
(g) levy a default interest of up to 2% per annum on the overdue amounts in relation to the NCDs.

This is an indicative list and there may be additional terms that may require the consent of the relevant lender or the trustee that may amount to an event of default under the various borrowing arrangements entered into by us.

Details of listed non-convertible debentures issued by our Company

The following table sets forth the ISIN and scrip code of the non-convertible debentures issued by our Company:

ISIN	Scrip Code	Face value (in ₹)	Coupon rate	Outstanding principal amount as at March 31, 2024 (Amount in ₹ million)	Maturity date
Secured NCDs					
INE538L07528	936320	1,000.0	9.4%	95.5	September 29, 2028
INE538L07536	936322	1,000.0	9.8%	116.8	September 29, 2028
INE538L07056	951931	1,000,000.0	9.8%	250.0	March 23, 2025
INE538L07163	953177	1,000,000.0	9.6%	300.0	January 6, 2026
INE538L07189	953250	1,000,000.0	9.6%	100.0	January 19, 2026
INE538L07197	953262	1,000,000.0	9.6%	27.0	January 19, 2026
INE538L07205	953266	1,000,000.0	9.6%	200.0	January 25, 2026
INE538L07213	953289	1,000,000.0	9.6%	120.0	January 29, 2026
INE538L07221	953501	1,000,000.0	9.6%	100.0	March 1, 2026
INE538L07254	953621	1,000,000.0	9.6%	200.0	March 22, 2026
INE538L07270	953764	1,000,000.0	9.6%	125.0	March 31, 2026
INE538L07379	955256	1,000,000.0	9.0%	50.0	November 16, 2026
INE883F07025	953948	1,000,000.0	9.4%	200.0	May 5, 2026
INE883F07215	960161	1,000,000.0	8.1%	500.0	October 20, 2025
INE883F07223	973512	1,000,000.0	7.1%	990.0	October 7, 2024
INE883F07231	973564	500,000.0	6.9%	600.0	October 29, 2023 and October 29, 2024
INE883F07249	973642	1,000,000.0	7.6%	1,000.0	December 9, 2026
INE883F07256	973820	625,000.0	9.6%	500.0	February 24, 2026
INE883F07280	974583	100,000.0	8.6%	920.0	January 3, 2028
INE883F07306	974853	100,000.0	8.5%	2,750.0	May 25, 2026
INE883F07314	975029	100,000.0	8.5%	5,000.0	August 17, 2026
INE883F07330	975411	1,00,000.0	8.7%	3,000.0	August 21, 2027
INE883F07348	975576	1,00,000.0	8.3%	1,450.0	March 28, 2029
Unsecured NCDs					
INE538L08054	954934	1,000,000.0	10.0%	100.0	September 19, 2026
INE538L08062	955091	1,000,000.0	9.8%	30.0	October 10, 2026
INE538L08070	955092	1,000,000.0	10.0%	150.0	October 10, 2026
INE538L08088	955094	1,000,000.0	9.8%	250.0	October 10, 2026
INE538L08096	955147	1,000,000.0	9.8%	70.0	October 17, 2026

As certified by S K Patodia & Associates LLP pursuant to their certificate dated April 30, 2024.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, disclosed in a consolidated manner, giving the total number of claims and the total amount involved, or (iv) material civil litigation, in each case involving our Company, Subsidiary, Promoter or our Directors (collectively, the "**Relevant Parties**"). Further, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoter in the last five Financial Years including any outstanding action.*

*In relation to (iv) above, our Board in its meeting held on January 30, 2024 has considered and adopted a policy of materiality for identification of material civil litigation ("**Materiality Policy**"). In terms of the Materiality Policy, any outstanding litigation involving our Company and Subsidiary, other than criminal proceedings and outstanding statutory and regulatory actions, which exceed 1% of the profit after tax as per the Restated Consolidated Financial Information for the Financial Year 2023 would be considered material for our Company. Our profit after tax as per the Restated Consolidated Financial Information for the Financial Year 2023 is ₹5,447.6 million. Accordingly, the following types of litigation involving the Relevant Parties have been considered material, and accordingly disclosed, as applicable, (a) where the aggregate amount involved in such individual litigation exceeds ₹54.5 million individually; (b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed ₹54.5 million; (c) all outstanding litigation filed against the Company which are winding up petitions under the Companies Act, or are corporate insolvency resolutions processes under the Insolvency and Bankruptcy Code, 2016; (d) where the monetary liability is not quantifiable, but where the outcome of such legal proceedings could have a material adverse effect on the business, operations, financial position, prospects or reputation of our Company.*

Further, in terms of the Materiality Policy, any outstanding litigation involving the Promoters and Directors other than criminal proceedings and outstanding statutory and regulatory actions, all outstanding civil litigation where an adverse outcome would materially and adversely affect the business, operations, prospects or financial position or reputation of the Company, would be considered as material.

It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities) shall, unless otherwise decided by our Board, not be considered as material until such time that the Relevant Parties, as applicable, is impleaded as defendant in litigation proceedings before any judicial forum.

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors ("**Creditors' Materiality Policy**"). In terms of the Creditors' Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹42.4 million, which is 5% of the consolidated total trade payables of our Company as on December 31, 2023, as per the Restated Consolidated Financial Information included in this Red Herring Prospectus, shall be considered as 'material'. Accordingly, as on December 31, 2023, any outstanding dues exceeding ₹42.4 million have been considered as material outstanding dues for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise ("**MSME**"), the disclosure is based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Act, 2006, as amended, as has been relied upon by Statutory Auditors.*

Litigation involving our Company

Litigation against our Company

A. *Criminal proceedings*

Criminal proceedings filed by certain customers of our Company

1. Dhirendra Pratap Singh, a customer of our Company (the "**Complainant**"), has filed a first information report before Kotwali Nagar Police Station, Ayodhya district ("**Police Station**"), in September 2020 ("**FIR**"), against the branch manager and accountant of one of our branches in Faizabad, the zonal manager, Lucknow, and the former managing director and chief executive officer of our Company and the current Whole-Time Director and Executive Vice Chairman of our Company, Deo Shankar Tripathi (the "**Accused Persons**"). The Complainant had availed a loan of approximately ₹1.0 million from the Faizabad branch of our Company. In the FIR, the Complainant has alleged that offences under sections 406, 420, 504 and 506 of the Indian Penal Code, 1860 ("**IPC**") have been committed by the Accused Persons in relation to continuous withdrawal of loan instalments from the Complainant's savings account

during the moratorium period announced by the RBI on repayment of term loans on account of the Covid-19 pandemic. The final report dated February 8, 2021 has been issued by the Police Station. The matter is currently pending.

2. Rashmi Kanwar, a customer of our Company (the "**Complainant**"), has filed a criminal complaint under Section 190 of the Code of Criminal Procedure, 1973 ("**CrPC**") before the Chief Metropolitan Magistrate, Jaipur, against certain ex-officers and employees of our Company (the "**Accused Persons**") in February 2018. The Complainant had availed a housing loan from the one of our Company's branches in Jaipur and submitted the original title deeds of her property as collateral for such loan. The Complainant had requested our Company to transfer the outstanding balance of ₹1.5 million of the loan availed by her to another housing finance company and release the original title deeds of the property mortgaged as collateral. Our Company dispatched the original title deeds through a third-party courier company, however these documents were lost in transit. Consequently, the Complainant filed the criminal complaint alleging that offences under sections 406 and 420 of the IPC have been committed by the Accused Persons. The matter is currently pending.

3. Devraj Nagar (the "**Complainant**") has filed a criminal complaint before the Chief Judicial Magistrate, Gautam Budh Nagar, Noida, against the sales manager, branch manager, and three other employees of one of our branches in Noida (the "**Accused Persons**") sometime in 2017 (the "**Complaint**"). The Complainant alleged that even though he had completed the requisite formalities including payment of processing fees in respect of his loan application, the loan was not disbursed by the Accused Persons. Consequently, the Complainant filed a complaint alleging that offences under sections 406 and 504 of the IPC have been committed by the Accused Persons. Subsequently, the matter was referred to mediation and the Complainant and Accused Persons reached a settlement in September 2019. The Complainant agreed to withdraw the Complaint and the Accused Persons agreed not to initiate any legal action against the Complainant in future, among other terms of the settlement. The matter is currently pending.

4. Deepak Kumar Kanaujia (the "**Complainant**") has filed a criminal complaint under section 190 of the CrPC before the Additional Chief Judicial Magistrate, Allahabad, against the branch manager of one of our branches in Allahabad (the "**Accused Person**") in August 2017 (the "**Complaint**"). The Complainant has alleged that a third party obtained a loan from our Company in the name of the Complainant and coerced him to enter into a fraudulent property transaction worth ₹0.6 million, amongst others. The matter is currently pending.

5. Pradip Shivram Savant (the "**Complainant**") filed a complaint against a private builder before the Economic Offences Department, Mumbai (the "**EOW**") (the "**Complaint**"). The Complaint is in relation to an alleged illegal sale of a property by a private builder to a person named Swaroop Phople, who had allegedly taken a loan of ₹9.2 million from our Company and the collateral given for such loan was the property alleged to be illegally sold by the builder. The EOW issued a summons to our Company in December 2020 directing our Company to provide the relevant information pertaining to the said loan. The matter is currently pending.

6. Vijay Kushwaha has a filed a criminal complaint before the Chief Metropolitan Magistrate, Kanpur (the "**Court**") alleging that the accused persons have demanded ₹0.1 million to settle his loan account, which loan account was allegedly existing with our Company. The Court has directed the concerned police in-charge to present a pre-inquiry report on the next hearing.

7. Anil Kumar (the "**Complainant**") has filed a criminal complaint before the Yelahanka Newtown Police Station, Bengaluru against the manager, branch manager, accountants of one of our branches in Bengaluru and others, (the "**Accused Persons**") in January 2021, alleging that the original property documents pertaining to the loan account of one Anwar Hussain have not been submitted to the concerned bank. The said loan account was transferred to another bank in August 2020. The matter is currently pending.

8. Dharambir Singh (the **"Complainant"**), a customer of our Company at our Chandigarh Branch, has filed an FIR against our Company through the branch managers and certain employees of our Company's branch office at Chandigarh and others (the "**Accused Persons**"), before the Sector 39 Police Station, in September, 2021 (the "**FIR**"). The Complainant has alleged that the Accused Persons collected EMI payments for a loan availed by the Complainant from our Company and refused to provide receipts for such payments. The Complainant has further alleged that the money deposited by him by way of EMI was not deposited with our Company. The FIR has been filed alleging that offences under sections 406, 420, 467, 468, 471, 201, 120-B of the IPC have been committed by the Accused Persons and seeking issuance of a direction to the Senior Superintendent of Police, Chandigarh and the station house of Sector 39 Police Station to take action against the Accused Persons. The matter is currently pending.

9. Lekh Raj (the **"Complainant"**) has filed an FIR with the Byawar City Police Station, Ajmer, in December 2021, against certain of the employees of our Company (the "**Accused Persons**"). The Complainant has alleged that he had applied for a loan from our Company and that certain employees of our Company sanctioned his loan and provided him with a photocopy of a cheque for the loan amount, without giving him the original cheque. The Complainant has alleged that without giving him the original cheque or depositing the loan amount in the Complainant's account, interest on the loan was charged for the first month along with advance for the first four instalments. It has been alleged

that offences under sections 420, 406, 384 and 120B of the IPC have been committed by the Accused Persons. The matter is currently pending.

10. Raj Bai (the **"Complainant"**) has filed an FIR with the Kotwali Alwar Police Station against our Company, through the manager and certain of its employees (the "**Accused Persons**"), in October, 2021, for allegedly wrongfully mortgaging the property owned by the Complainant and her husband and alleging that offences under sections 420, 467, 468, 471, 120B of the IPC have been committed by the Accused Persons. The Complainant has alleged that the employees of our Company fraudulently forged her husband's signature on a loan agreement even though no loan has been availed by the Complainant or her husband from our Company. The matter is currently pending.

11. P V Sridharan (the **"Complainant"**) had filed an FIR before the II MM Metropolitan Court at LB Nagar, Hyderabad, against a customer of our Company, Baji Padmaja Thaduri ("**Accused 1**") and others, in February, 2016. Subsequently, the Complainant filed another complaint before the National Housing Bank in April, 2021 against our Company and others seeking intervention in the matter and alleging that Accused 1 forged certain property documents owned by the Complainant and obtained a loan from our Company using such documents. The Complainant further alleges that no enquiry was made by our Company before sanctioning such loan and registration of the property in the name of Accused 1 and our Company thereafter proceeded to initiate action against such property due to default committed by Accused 1. While the loan account of the Accused 1 with our Company has been closed, the complaint is currently pending.

12. Bholanath Rana ("the **Complainant**") has filed a criminal complaint before the Court of SDJM, Balasore, Odisha, against an employee of our Company and our Company through the branch manager, in February, 2022, for allegedly increasing the interest rate on the loan taken by the Complainant. The Complainant has also alleged that the employee of our Company has cashed one of the twelve blank cheques deposited as security with our Company. The Complainant has prayed for the petition to be sent to the IIC Sahadevkhunta Police Station for further investigation. The complaint is currently pending.

13. Shahaji Sambhajirao Patil Sambhajirao (the "**Complainant**") has filed a criminal complaint with the Miraj Rural Police Station, Maharashtra in January 2024, against our Company, alleging that our Company has fraudulently misused his documents and distributed the same to a third party. The complaint is currently pending.

14. Our Company has received summons for appearance from Chanditala Police Station, Hooghly, in November, 2021 informing us that the Judicial Magistrate First Class (Third Court), Serampore, Hooghly, has passed an order in August 2021 directing the officer-in-charge of the Chanditala Police Station, Hooghly, to investigate a criminal complaint filed by one Samapti Chakraborty against our Company and certain other accused persons. The matter is currently pending.

15. N Fathimabeevi (the "**Complainant**") has filed an FIR with the Cuddalore Police Station, Tamil Nadu, in March 2022, against certain employees of our Company (the "**Accused Persons**") under sections 294(b) and 506(1) of the IPC. The Complainant has alleged that she has availed a loan from our Company and has been paying EMI regularly which has not been credited. The Complainant has further alleged that the one of the Accused Persons, a manager of our Company issued a notice of possession and threatened that the notice of possession will be withdrawn only upon payment of ₹ 0.2 million, which the Complainant allegedly paid to the Accused Persons. The Complainant has also alleged that the Accused Persons have threatened her physical well-being. The matter is currently pending.

16. Our Company has received the first intimation report from Karnal Police Station, Haryana, in May 2022, wherein one Sandip Kumar (the "**Complainant**") has filed a complaint against certain employees of our Company (the "**Accused Persons**") for allegedly inflicting mental torture and using caste related words against the Complainant. The Accused Persons have been instructed to appear before the Karnal Police Station and submit their response to the complaint. The matter is currently pending.

17. Vimla Devi (the "**Complainant**") has filed an FIR with the Beawar City Police Station, Ajmer, Rajasthan in August 2022, against certain employees of our Company (the "**Accused Persons**"). The Complainant's late husband availed a loan from our Company along with insurance from BHFL Pramerica Life Insurance Company Limited ("**Insurance Company**"), and has alleged that our Company has usurped the life insurance money in connivance with the Insurance Company. The matter is currently pending.

18. Deu Devi (the "**Complainant**") has filed an FIR with the Pratap Nagar (Bhilwara) Police Station, Rajasthan in August 2022 against our Company and one Kalu Lal Bhambi ("**Accused**"), alleging that the Accused forged the signature of the Complainant to avail a new loan from Central Home Loan in her name. Further, the Complainant has alleged that our Company has colluded with the Accused and is intending to usurp the property owned by the Complainant. The matter is currently pending.

19. Akhil Tiwari (the "**Complainant**") has filed an FIR with the Central Commissionerate, Gautambuddha Nagar, Noida in February 2023 against our Company and one Preeti Tiwari ("**Accused**"). The Complainant has alleged that the Accused has fraudulently obtained his documents and made the Complainant a loan guarantor without his knowledge, and has alleged that our Company was involved in the forgery as they completed the paperwork without verification. The matter is currently pending.

20. Meena Devi (the "**Complainant**") has filed an FIR with the Faridabad Kotwli Police Station, Haryana in March 2023 against our certain employees of our Company and certain others ("**Accused**"), alleging that the Accused had colluded with each other by approving a loan on property on which a previous loan already existed and have cheated the Complainant. The matter is currently pending.

21. Avadhesh Dikshit (the "**Complainant**") has filed an FIR with the Ganga Ghat Police Station, Uttar Pradesh in May 2023 against an employee of our Company alleging that the employee has committed fraud and not provided possession of a property. Further, the Complainant has alleged that the employee of our Company has usurped ₹0.3 million. The matter is currently pending.

22. Our Company has received a notice under sections 91 and 160 of the Code of Criminal Procedure, 1973 ("**Notice**") from Vibhutikhand Police Station, Lucknow alleging that Neeraj Verma (the "**Applicant**") has filed an application alleging that certain documents of the Applicant were not returned, and that the Applicant has been made a witness to a loan taken by one Satish Kumar Jha. The Notice requires our Company to provide a statement or documentary evidence in relation to the allegation. The matter is currently pending.

23. Mohan Lal Sharma (the "**Complainant**") has filed an FIR with the Sadar Jaipur Police Station, Rajasthan, in October 2023, against our Company and an employee ("**Accused**") of our Company, alleging that our Company has wrongly deducted ₹0.2 million as processing charges and insurance. The Complainant has alleged that the processing charges were paid in cash to an employee of our Company. The matter is currently pending.

24. Our Company received summons from the Izzat Nagar Police Station, Uttar Pradesh ("**Izzat Police Station**") in October 2022, seeking photocopies of loan documents availed by Sunita Devi (the "**Complainant**"). The Complainant has filed an FIR with the Izzat Police Station alleging that employees of our Company have colluded with some third party individuals and have unlawfully taken possession of the Complainant's property. The matter is currently pending.

25. Abdul Rasheed Mohmand Hafeez (the "**Complainant**") has filed an FIR with the Narpoli Police Station, Maharashtra, in February 2024, against one Vasudev Bhaskar Pednekar and an employee of our Company ("**Accused**") alleging that the Accused have colluded and fraudulently secured a loan from our Company on the property owned by the Complainant. The employee of our Company has been accused of sanctioning the loan without making a search report. The matter is currently pending.

26. An employee of our Company has received summons from the Savina Police Station, Udaipur, Rajasthan, in March 2024, seeking documentary evidence in relation to insurance taken on a house loan sanctioned by our Company. The matter is currently pending.

27. Bibus Parihar ("**Complainant**") has filed a criminal complaint with the Anusuchit Jati Janjati Kalyan Branch (STSC), Rani Kamlapati Police Station, Bhopal, against an employee of our Company (the "**Accused**"), alleging that the Accused harassed the Complainant and his sister in relation to the recovery of a loan granted by our Company. The matter is currently pending.

28. Our Company has been made party to a criminal revision petition which is pending argument before the Additional Sessions Judge under Electricity Act. As on the date of this Red Herring Prospectus, our Company has not received summons or any other notice in relation to this matter and the disclosure included herein is based on the information available in public domain.

29. Our Company has been made party to a criminal revision petition, filed by Rameshwar Dass, before the District and Sessions Court, Ambala wherein notice could not be issued to respondents for want of correct information. As on the date of this Red Herring Prospectus, our Company has not received summons or any other notice in relation to this matter and the disclosure included herein is based on the information available in public domain.

30. Our Company has been made party to a matter relating to recording of evidence in a criminal matter, filed by Omprakash Nayak before the District and Sessions Court, Bhopal. As on the date of this Red Herring Prospectus, our Company has not received summons or any other notice in relation to this matter and the disclosure included herein is based on the information available in public domain.

31. Our Company has been made party to a criminal matter, filed by Sri Manish Kishore Nag before the Chief Judicial Magistrate, Bankura. As on the date of this Red Herring Prospectus, our Company has not received summons or any other notice in relation to this matter and the disclosure included herein is based on the information available in public

domain. Based on order dated July 28, 2022, available in public domain, passed by the JM 7th Court, Bankura, the court has noted that the complainant has failed to appear before the court. The next date of hearing is April 25, 2024.

32. Our Company and certain employees of our Company have been made party to an FIR which is pending investigation before the Taherpur Police Station. As on date of this Red Herring Prospectus, our Company has not received any summons in relation to this matter and the disclosure included herein is based on the information shared by certain of our employees.

B. Tax proceedings

A summary table of the claims relating to direct and indirect taxes involving our Company is set forth below:

Nature of case	Number of cases	Amount (₹ in million)*
Direct Tax	4	30.0
Indirect Tax	12	77.1
Total	**16**	**107.1**

**To the extent quantifiable.*

C. Material civil litigation

1. Keshava Gupta and others ("**Financial Creditors**") have instituted insolvency proceedings, in October, 2020, under section 7 of the IBC before the NCLT, Bengaluru, against Shri Diya Projects Private Limited (the "**Corporate Debtor**"), a customer of our Company, for committing default in respect of certain units of a project being developed by the Corporate Debtor ("**Project**") which were purchased by the Financial Creditors. The Financial Creditors have claimed that the Project has been abandoned by the Corporate Debtor. Further, it has been claimed that the Corporate Debtor has mortgaged the Project against a loan borrowed from our Company. The total outstanding amount of this loan as on date is ₹277.6 million. On account of default in respect of repayment of the loan committed by the Corporate Debtor, our Company had filed a petition with the Additional Chief Judicial Magistrate, Bengaluru and taken possession of the Project under the SARFESI Act. Our Company has been impleaded as a respondent in these proceedings since the Financial Creditors had mortgaged the Project against the loan disbursed by our Company and our Company has a security interest over the Project. The Financial Creditors have alleged, that the Corporate Debtor owes financial debt to the Financial Creditors and thus, filed the petition seeking initiation of insolvency proceedings against the Corporate Debtor. The matter is currently pending.

2. An interlocutory application (the "**Original Application**") was filed by the Administrator (the "**Applicant**") of DHFL (the "**Corporate Debtor**") before the National Company Law Tribunal, Mumbai Bench ("**NCLT**"), in September 2020, against the Erstwhile Promoters, West End Investment & Finance Consultancy ("**West End**"), our Company, and four other entities (collectively the "**Respondents**"), in the insolvency petition filed with respect to the CIRP of the Corporate Debtor (the "**Insolvency Petition**"). Under the Original Application, the Applicant has claimed an amount of ₹2,276.6 million from our Company in terms of sections 45, 46, 49, 60(5) and section 66 of the IBC and there is no other averment/prayer against our Company.

   Subsequent to implementation of the resolution plan in the CIRP of the Corporate Debtor (the "**Resolution Plan**"), an application has been filed by Piramal Capital & Housing Finance Limited ("**Piramal**") in December 2021, before the NCLT, seeking an amendment of the Original Application to substitute the original Applicant with Piramal in the Original Application (the "**Second Application**"). While the Original Application was allegedly filed in September 2020, our Company became aware of the Original Application only in January 2022 when the notice of the Second Application was served on our Company by Piramal. Further, no order was passed against our Company in respect of the Original Application since September 2020.

   Our Company had advanced a certain amount of money to West End as part of its lending business in September 2018 and West End had repaid and returned such amount as per the agreed terms. However, in the Original Application, the Applicant has alleged that West End had received a certain amount of money from our Company in September 2018, and that this amount was ultimately utilised for acquisition of shares of another entity affiliated to the Corporate Debtor and the said amount was repaid by West End from an ICD advanced by the Corporate Debtor to West End allegedly in violation of applicable law. Our Company has filed a reply dated January 4, 2023 to the Original Application. The NCLT reserved orders in the Second Application by way of an order dated January 9, 2023. Further, the Second Application was allowed by the NCLT *vide* order dated February 9, 2023 ("**February Order**"), thereby allowing Piramal to substitute itself as the applicant, and pursue the Original Application.

   In a separate matter pertaining to the Insolvency Petition, certain financial creditors had filed an appeal before the NCLAT against certain orders passed by the NCLT relating to the Resolution Plan ("**Appeal**"). The NCLAT vide its order dated January 27, 2022 ("**NCLAT Order**") allowed this Appeal and has also set aside the terms of the approved Resolution Plan which permitted Piramal to appropriate recoveries from the avoidance applications filed under section

66 of the IBC. The NCLAT has also held, inter alia, that upon completion of the CIRP and approval of the resolution plan by the NCLT, avoidance applications do not remain for the benefit of the resolution applicant. The Original Application and the Second Application may not be maintainable pursuant to the NCLAT Order since the avoidance applications referred to in the NCLAT Order would also include the Original Application and the Second Application. However, an appeal against the NCLAT Order is pending before the Supreme Court of India.

In another separate matter pertaining to the Insolvency Petition, one of the Erstwhile Promoters, Kapil Wadhawan has filed an appeal dated August 8, 2023 ("**Appeal**") before the Supreme Court of India ("**Supreme Court**") against the February Order allowing Piramal being permitted to pursue the Original Application, by way of an order dated September 6, 2023, the Supreme Court has allowed the Original Application to continue during the pendency of this Appeal.

D. *Actions taken by regulatory or statutory authorities*

1. The Office of the Senior Labour Inspector ("**Labour Inspector**") issued a show cause notice in March 2024 ("**Show Cause Notice**"), against our Company, our Managing Director and Chief Executive Officer and another employee of our Company. The Labour Inspector inspected one of our offices situated in Bangalore and sought for certain documents and registers. The Labour Inspector has alleged through the Show Cause Notice that the documents and registers were not provided by our Company, and has asked our Company to show cause as to why a suit should not be instituted against our Company. Our Company through letter dated March 19, 2024, has submitted the necessary documents to the Labour Inspector, which has been acknowledged by the Labour Inspector on March 25, 2024. The matter is currently pending.

Litigation by our Company

A. *Criminal proceedings*

I. *Certain criminal complaints filed by our Company*

1. Our Company has filed a criminal complaint with the Commissioner of Police, Bengaluru, in March 2022, in relation to alleged criminal trespass onto a property (the "**Property**") that was sealed by our Company in terms of the provisions of the SARFAESI Act. Our Company has alleged that M/s Yashswini Builders Private Limited, represented by its managing director, Mahesh (the "**Accused**") had defaulted on payment of a loan taken by them from our Company. Accordingly, in terms of the SARFAESI Act, our Company took symbolic possession of the Property which was provided as a security to our Company in respect of the loan availed from our Company by the Accused. Further, as per court order issued by the XI Additional Chief Metropolitan Magistrate, at Mayohall, Bengaluru, our Company also took physical possession of the Property. Our Company has alleged that offences of criminal trespass, criminal intimidation, prevention of public servant from discharging their duty and criminal contempt of court have been committed by the Accused. Our Company has prayed for a direction to be issued to the Amruthahalli Police Station to register an FIR and to investigate the matter. The complaint is currently pending.

2. Our Company has filed an FIR in 2020 before the 1st Additional Chief Metropolitan Magistrate, Bengaluru, in relation to issuance of a false sanction letter demanding deposits of certain amount to a particular bank account that does not belong to our Company. Our Company has alleged that offences under sections 419 and 420 of the IPC and under sections 66C and 66D of the Information Technology Act, 2002 have been committed by the accused. The matter is currently pending investigation.

3. Our Company has filed a criminal complaint at Hosapete Town Police Station, Vijayanagara District, Bengaluru in December 2021, in relation to the fraudulent misuse of the photocopies of three cheques of our Company's account and manipulation the date, amount and the name of the payee by certain unknown persons falsely indicating that cheques were issued by Veritas Finance Private Limited instead, for disbursement of loans. The matter is currently pending.

4. Our Company has filed a criminal complaint at the Shivpuri Police Station (Madhya Pradesh) in June 2021, in relation to alleged calls received from anonymous numbers by existing customers and employees of our Company, to deposit their EMIs through digital payment applications into an account which does not belong to our Company, by posing as employees of our Company. The matter is currently pending investigation.

5. Our Company has filed a criminal complaint against Pushpendra Rana and Shuoraj Singh Rana at the Hapur Police Station (Uttar Pradesh) ("**Hapur Police Station**") in February 2023, alleging that Pushpendra Rana had shared a fabricated one time settlement letter on a forged letter head of our Company with the Company, which stated that he has settled a loan that was previously classified as a non-performing asset by our Company. Our Company has requested the Hapur Police Station to register a complaint under sections 420, 467, 468, 469, 471 and 120B of the IPC. The matter is currently pending investigation.

6. Our Company has filed a criminal complaint against Deepak Bhagria ("**Accused**") before the CP Office, Officer in-charge, Ludhiana, Punjab, in September 2022, alleging that the Accused had misrepresented himself as an employee of our Company and fraudulently collected processing fees from one Rakesh Kumar. Further, the Accused misrepresented to Rakesh Kumar and generated a fraudulent advisor code as an employee of our Company for him. Our Company has requested that an FIR be registered under sections 420, 406, 463, 471, 470 and 120B of the IPC. The matter is currently pending investigation.

7. Our Company has filed an FIR under section 154 of the CrPC before the Vapi GIDC Police Station, Gujarat in December 2022 alleging that Ramji Rama Yadav and others threatened and manhandled certain employees of our Company in relation to a loan transfer. The matter is currently pending investigation.

8. Our Company has filed an FIR with the Karnal Civil Lines Police Station, Haryana in November 2022, against Satish Kumar, Shakuntla, Bhwana Rani, Sandeep Kumar and Ashok Kumar (the "**Accused**"), alleging that offences under sections 120B, 406 and 420 have been committed by the Accused. Our Company has alleged that the Accused have fraudulently obtained a loan from our Company for a property for which they have already obtained a loan from another bank. The matter is currently pending investigation.

II. Certain cyber complaints filed by our Company

1. Our Company has filed an online cyber complaint on the National Cyber Crime Reporting Portal in 2020, in relation to unauthorised and illegal use of the Company's logo and name by the accused on a counterfeit and fraudulent website that does not belong to the Company to defraud the public at large. The matter is currently pending investigation.

2. Our Company has filed an online cyber complaint on the National Cyber Crime Reporting Portal (Rajasthan) in June 2021, alleging the opening of a bank account fraudulently in the name of our Company. Our Company has alleged that the fake account is being fraudulently used for extracting money under EMI/PEMI against loans disbursed by our Company and extorting money under the brand name of our Company. The matter is currently pending.

3. Our Company has filed two online cyber complaints on the National Cyber Crime Reporting Portal (Bihar) in July 2022 and August 2022, respectively, alleging that a person, not connected to our Company, is fraudulently circulating account numbers linked to certain banks, for collection of money. The matter is currently pending.

4. Our Company has filed an online cyber complaint on the National Cyber Crime Reporting Portal (Madhya Pradesh) in November 2022, alleging that two customers of our Company have received calls from unknown persons, not connected to our Company, asking for certain sums of money to be deposited, in the name of our Company. The matter is currently pending.

5. Our Company has filed an online cyber complaint on the National Cyber Crime Reporting Portal (Madhya Pradesh) in October 2022, alleging that a customer of our Company has received a call from an unknown person, not connected to our Company, who was fraudulently trying to extract money aggregating to ₹0.3 million from the customer, in the name of our Company. The matter is currently pending.

III. Recovery proceedings initiated by our Company under S.138 of the Negotiable Instrument Act, 1881

1. Our Company, in the ordinary course of its business, has initiated 4,326 recovery proceedings against various parties, including several of its customers, for the dishonour of cheques under Section 138 of the Negotiable Instrument Act, 1881. These proceedings are pending at various stages of adjudication before various courts in India. The aggregate amount involved in such proceedings is approximately ₹3,553.1 million.

IV. Criminal proceedings initiated by our Company in relation to allegations of fraud

1. Our Company, in the ordinary course of business, has initiated 145 criminal proceedings (either through a first information report or criminal complaint) against various parties, including several of our customers alleging fraud committed by such customers against us. These proceedings are pending at various stages of adjudication before various courts in India. Out of the 145 criminal proceedings, 110 proceedings ("**Reported Proceedings**") have been reported by our Company, in the quarter ended December 31, 2023 to the NHB since the amount involved in each of these proceedings exceeds ₹100,000 as provided for under chapter IV of the NHB guidelines No NHB (ND)/DRS/Policy Circular No.92/2018-19 dated February 5, 2019. Of the Reported Proceedings, 2 cases have been closed as on date. Separately, 35 criminal proceedings out of 145 criminal proceedings have not been reported as they are currently under investigation, and will be reported to the NHB at a later stage, once concluded as fraud cases. The aggregate amount involved in such proceedings is approximately ₹192.3 million.

B. Material Civil Litigation

Recovery proceedings initiated by our Company in relation to project finance cases

1. Sanya Property Private Limited, a customer of our Company, along with certain guarantors/mortgagor (the "**Customer**"), availed a project finance loan for ₹200.0 million from DHFL and Pre-merger AHFPL, of which ₹60.0 million was disbursed by DHFL and ₹40.0 million was disbursed by Pre-merger AHFPL. The Customer committed default and despite repeated requests and demands, it failed to pay the overdue amount and additional interest, as applicable. Consequently, DHFL issued a demand notice dated March 16, 2016 under section 13(2) of the SARFAESI Act directing the Customer to pay the total outstanding amount of ₹71.1 million failing which it would initiate appropriate recovery proceedings against the Customer. A similar demand notice dated April 21, 2016 was issued by Pre-merger AHFPL directing the Customer to pay the total outstanding amount of ₹46.5 million. Upon the Customer's failure to pay the outstanding amount, an application dated November 19, 2016 was filed by DHFL under section 14 of the SARFAESI Act before the District Magistrate, Bhuj (the "**DM**"), for the purpose of taking physical possession of the property mortgaged by the Customer in respect of the loan (the "**Application**"). Pre-merger AHFPL was made a party to this Application in the capacity of a joint secured creditor. The DM allowed the Application for taking the possession of the said property vide order dated April 13, 2017. Subsequently, the Customer filed an application in August 2017 under section 17(1) of the SARFAESI Act before the Debt Recovery Tribunal-II, Ahmedabad, against DHFL and Pre-merger AHFPL, praying to set aside and quash the order dated April 13, 2017 passed by the DM, the possession notice and in the interim to stay the same, and to declare all actions taken under the SARFAESI Act in this regard illegal and unjustified. The matter is currently pending for hearing.

Litigation involving our Directors

Litigation against our Directors

Deo Shankar Tripathi

Criminal Proceedings

1. Dhirendra Pratap Singh, a customer of our Company, has filed a first information report before the Kotwali Nagar Police Station, Ayodhya District, in September 2020. In his official capacity as the Managing Director and Chief Executive Officer of our Company, Deo Shankar Tripathi has also been arrayed as an accused in such first information report. For details, see "- *Litigation involving our Company – Litigation against our Company – Criminal Proceedings - Criminal proceedings filed by certain customers of our Company*" on page 363 of this Red Herring Prospectus.

Sharmila A. Karve

Actions taken by statutory or regulatory authorities

1. Sharmila A. Karve has received summons dated July 31, 2020 from the Enforcement Directorate (Eastern Region) under the Foreign Exchange Management Act, 1999 asking her to appear before the Enforcement Directorate to give evidence and produce certain records in relation to a FEMA enquiry in relation to certain partnership firms where Sharmila A. Karve was a partner at the relevant time. Because of COVID-19 related travel restrictions, Sharmila A. Karve was allowed to submit her written response without any physical appearance in the Enforcement Directorate office in Kolkata. She has accordingly submitted her written response to the Enforcement Directorate under legal advice.

Material civil litigation

1. Satyam Computers Services Limited filed a civil suit on June 12, 2012 against Sharmila A. Karve for damages, along with 127 others, before the City Civil Court, Hyderabad. Further, Sharmila A. Karve has filed applications for discharge and dismissal of suit, which are currently pending for adjudication by the City Civil Court, Hyderabad.

Rishi Anand

Actions taken by regulatory or statutory authorities

1. In relation to the show cause notice issued by the Office of the Senior Labour Inspector against our Managing Director and Chief Executive Officer, see "- *Litigation against our Company – Actions taken by regulatory or statutory authorities*" on page 368.

Outstanding dues to creditors

In terms of the Creditors' Materiality Policy adopted by our Board in its meeting held on January 30, 2024, creditors of our Company to whom an amount exceeding 5% of our total consolidated trade payables as on December 31, 2023 was outstanding, were considered 'material' creditors. As per the Restated Consolidated Financial Information, our total consolidated trade payables as on December 31, were ₹848.7 million and accordingly, creditors to whom outstanding dues exceed ₹42.4 million have been considered as material creditors for the purposes of disclosure in this Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed as on December 31, 2023 by our Company are set out below:

Type of creditors	Number of creditors	Amount (₹ in million)
Micro, Small and Medium Enterprises	53	1.4
Material creditors	Nil	Nil
Other creditors*	281	6.1
Total	**334**	**7.5**

**Excluding unbilled dues of ₹841.2 million*

The details pertaining to outstanding overdues as on December 31, 2023, to the material creditors along with names and amounts involved for each such material creditor are available on the website of our Company at https://aadharhousing.com/pdf/List-of-Creditors.pdf.

Material Developments

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant developments subsequent to December 31, 2023*" on page 358 of this Red Herring Prospectus, there have not arisen, since the date of the last financial information disclosed in this Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months, from the date of this Red Herring Prospectus.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations, and permits issued by relevant regulatory authorities under various rules and regulations. Set out below is an indicative list of all material approvals, licenses, registrations, and permits obtained by our Company, which are necessary for undertaking our business. In view of such approvals, our Company can undertake the Offer and its current business activities. Additionally, unless otherwise stated, these approvals, licenses, registrations, and permits are valid as on the date of this Red Herring Prospectus. Certain approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures.

Set forth below are the material approvals or renewals applied for but not received or material approvals or renewals for which applications are yet to be made. For further details in connection with the applicable regulatory and legal framework, see "Key Regulations and Policies in India" beginning on page 179.

I. Material approvals in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 376.

II. Material approvals in relation to our Company

(a). **Material approvals obtained by our Company**

We require various approvals to carry on our business in India. We have received the following major Government and other approvals pertaining to our business:

A. Material approvals in relation to our incorporation

For details in relation to incorporation of our Company, see "*History and Certain Corporate Matters*" on page 190.

B. Material approvals in relation to our business

The material approvals in relation to the establishments and business operations of our Company issued by authorities of the respective jurisdictions in which our establishments and business operations are located are set forth below:

1. Certificate of registration dated April 5, 2018 as amended on May 31, 2018 granted by the NHB bearing registration number 04.0168.18 pursuant to which our Company is allowed to commence / carry on the business of a housing finance institution with permission to accept public deposits.

2. Recognition as a 'financial institution' by the Ministry of Finance, by notification dated December 18, 2015 for the purpose of sub-clause (iv) of clause (m) of sub-section (1) of Section 2 of the SARFAESI Act.

3. Legal Entity Identifier registration number LEI 335800JQMNJOX3W7LY96 renewed on January 15, 2024, with EQS Group AG (Local Operating Unit for LEI registration and LEI renewal).

4. Registration for information utility services, through agreement dated May 16, 2018 entered into with National e-Governance Services Limited

5. Certificate of registration issued by the Insurance Regulatory and Development Authority of India bearing registration number CA0012 issued on March 7, 2019 and renewed on March 25, 2022, effective April 1, 2022, as a corporate agent (composite).

6. Registration with the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), effective from April 29, 2011, for uploading of mortgages/charge creation with details of mortgage loans of all customers of the Company on timely basis.

7. Registration with the Central Know Your Customer Registry under Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), bearing registration code IN5037, effective November 12, 2020.

C. Tax related approvals of our Company

1. Our permanent account number is AABCV5640B.

2. Our tax deduction account number is BLRV00404F.

3. Goods and services tax registration numbers of our Company, as per the state where our business operations are spread, are as follows:

State	Registration Number
Andhra Pradesh	37AABCV5640B2ZK
Bihar	10AABCV5640B1Z1
Chhattisgarh	22AABCV5640B1ZW
Delhi	07AABCV5640B1ZO
Gujarat	24AABCV5640B1ZS
Haryana	06AABCV5640B1ZQ
Jharkhand	20AABCV5640B1Z0
Karnataka	29AABCV5640B1ZI
Kerala	32AABCV5640B1ZV
Madhya Pradesh	23AABCV5640B1ZU
Maharashtra	27AABCV5640B2ZL
Odisha	21AABCV5640B1ZY
Puducherry	34AABCV5640B1ZR
Punjab	03AABCV5640B1ZW
Rajasthan	08AABCV5640B1ZM
Tamil Nadu	33AABCV5640B2ZS
Telangana	36AABCV5640B1ZN
Uttarakhand	05AABCV5640B1ZS
Uttar Pradesh	09AABCV5640B2ZJ
West Bengal	19AABCV5640B1ZJ

4. Our Company has several branches in various states falling under the respective professional tax legislations. Accordingly, our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

D. Labour and commercial approvals

1. We are required to obtain a certificate of establishment issued by the labour departments of the respective state governments where the Registered Office, Corporate Office and branches of our Company are located under the provisions of the relevant state specific legislations on shops and establishments. We have obtained the relevant shops and establishment registrations under the applicable provisions of the shops and establishments legislations of the relevant state for our Registered Office, Corporate Office and branches in India. Certain approvals may have lapsed in their normal course and we have either made applications to the appropriate authorities for renewal of such licenses/approvals or are in the process of making such applications. For details, see "*Government and Other Approvals – Material approvals to be obtained by our Company*" on page 374.

2. We are required to intimate NHB upon opening of new branches. We have made intimations for opening of new branches in accordance with the applicable law.

3. Registration no. MHBAN1671888000 issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952, effective December 13, 2017.

4. Registration no. 35530122950051004 issued by Employees' State Insurance Corporation, India under the Employees State Insurance Act, 1948, effective January 14, 2019.

5. Registration as an employer under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 bearing registration number 27955234079P, effective July 12, 2010.

6. Enrolment under the Maharashtra Tax on Professions, Trades, Callings and Employments Act, 1975 bearing enrolment certificate number 99653249115P effective April 1, 2013.

7. Income Tax Commissioner Registration for the Aadhar Housing Finance Limited Employees Group Gratuity Trust with effect from January 17, 2013.

8. Labour Welfare Registration under the Maharashtra Labour Welfare Fund Act, 1953, effective August 9, 2018.

9. Registration under the Contract Labour (Regulation and Abolition) Act, 1970 bearing registration number 2110200710019533, effective January 2, 2024.

(b). **Material approvals to be obtained by our Company**

A. *Material approvals applied for but not received*

Except as disclosed below, as on the date of this Red Herring Prospectus, there are no material approvals which our Company has applied for, but which have not been received:

1. Applications made to obtain the shops and establishments license for material branches: (i) Indore (A.B. Road), Madhya Pradesh pursuant to application dated January 10, 2024; (ii) Kota, Madhya Pradesh pursuant to application dated December 12, 2023; (iii) Surat (Parvat Patiya), Gujarat pursuant to application dated January 19, 2021; and (iv) Trivandrum, Kerala pursuant to application dated April 16, 2024.

B. *Material approvals expired and renewal yet to be applied for*

Except as disclosed below on the date of this Red Herring Prospectus, there are no material approvals of our Company that have expired, and for which renewal is yet to be applied for:

1. Shops and establishments license for a material branch located in Puducherry under the Puducherry Shops and Establishment Rules, 1964.

C. *Material approvals required but not obtained or applied for*

Except as disclosed below, as on the date of this Red Herring Prospectus, there are no material approvals which our Company is required to obtain but which have not been obtained or been applied for:

1. Renewed shops and establishment registration for the material branch located in Ahmedabad required under the Gujarat Shops and Establishments (Regulations of Employment and Conditions of Service) Act, 2019.

III. Intellectual Property Registrations

For details in relation to our intellectual property registrations, see "*Our Business – Intellectual Property*" on page 175.

SECTION VII: OUR GROUP COMPANIES

*In terms of the SEBI ICDR Regulations, the term 'group company' includes such companies (other than promoters and subsidiaries) with which there were related party transactions as disclosed in the Restated Consolidated Financial Information, as covered under the applicable accounting standards, and also other companies as considered material by our Board. Pursuant to the above definition and the resolution of our Board dated January 21, 2024, other companies that are a part of the promoter group (as defined in the SEBI ICDR Regulations) with which there were transactions in the most recent financial year and stub period included in the Draft Red Herring Prospectus ("**Test Period**"), which individually or in the aggregate, exceed 10% of the total restated revenue of the Company for the Test Period shall be considered material for the identification of group companies for the purposes of disclosure in connection with the Offer.*

Accordingly, based on the parameters outlined above, our Company does not have any group company, as on the date of this Red Herring Prospectus.

SECTION VIII: OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Fresh Issue has been authorised by our Board pursuant to the resolutions passed at its meeting held on January 21, 2024, our IPO Committee on January 31, 2024, and by our Shareholders pursuant to a special resolution passed at their meeting held on January 24, 2024.

Further, our Board has approved the Draft Red Herring Prospectus pursuant to its resolution dated January 30, 2024, and our IPO Committee has taken on record the approval of the Offer for Sale by the Promoter Selling Shareholder pursuant to its resolution dated April 22, 2024. Our Board has approved this Red Herring Prospectus pursuant to its resolution dated April 30, 2024.

The Offer for Sale has been authorised by the Promoter Selling Shareholder pursuant to a resolution dated January 31, 2024 passed by its board of directors and it has confirmed inclusion of the Offered Shares as part of the Offer for Sale pursuant to its consent letter dated April 22, 2024.

Para 45.2 of the RBI Master Directions – HFC, requires that (i) any change in shareholding of an HFC, including progressive increases over time, which would result in acquisition or transfer of shareholding of 26% or more of the paid-up equity capital of such HFC; or (ii) any change in the shareholding of an HFC accepting or holding public deposits, including progressive increases over time, which would result in acquisition or transfer of shareholding of 10% or more of the paid-up equity capital of the HFC by or to a foreign investor; requires a prior written approval from the RBI. Accordingly, our Company has filed an application dated January 25, 2024 with the RBI seeking a prior approval in relation to the Offer, the filing of the Offer Documents, and Offer related advertisements. Further, our Company has intimated the NHB about the application filed with the RBI. Our Company has received approval from the RBI vide letter dated March 26, 2024 ("**RBI Approval**"). In terms of the RBI Approval, our Company is required to *inter alia* share the pre-IPO and post-IPO shareholding pattern with the RBI within 15 days of the completion of allotment.

Pursuant to letter issued by the NHB dated January 12, 2021 ("**NHB Approval**") to our Promoter, NHB has granted its consent / no-objection for the Offer (including for a fresh issue, offer for sale, and a pre-ipo placement) subject to certain conditions including (i) the Promoter will continue to hold at least 51% shareholding in the Company and the Company remaining a subsidiary of the Promoter, (ii) the Promoter shall not transfer, assign, dispose-off, etc. its above mentioned 51% shareholding in the Company, and (iii) proposed change in shareholding should not result in any change in management or control of the Company. The NHB Approval was issued to our Promoter in relation to the non-disposal undertaking provided by our Promoter for refinancing facilities availed by our Company from NHB. Subsequently, pursuant to letter dated September 7, 2021 issued by NHB, the NHB Approval was extended to cover new non-disposal undertakings executed by the Promoter. The NHB Approval had not been withdrawn as on date of the Draft Red Herring Prospectus. Our Promoter has made an application in January, 2024 ("**Request**") seeking similar consent of the NHB in connection with the non-disposal undertaking dated January 10, 2023 provided by the Promoter in relation to the additional refinancing facilities availed by our Company from NHB. In this regard, the NHB, pursuant to its letter dated January 25, 2024, had informed that the consent had been issued vide the NHB Approval and that the Request will be placed before the competent authority in its then ensuing meeting in February, 2024. Consequently, pursuant to letter dated March 5, 2024, NHB has granted it's no objection to the Offer and change in shareholding pursuant to the Offer (including for offer for sale, and a pre-IPO placement) subject to certain conditions. These conditions include, inter alia, our Promoter should continue holding at least 51% shareholding in our Company, and that the Offer should be undertaken in compliance with the RBI guidelines, Companies Act, 2013, the SEBI ICDR Regulations and other applicable law.

In-principle Listing Approvals

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters each dated March 7, 2024.

Prohibition by SEBI, the RBI or other Governmental Authorities

Our Company, Promoter (also the Promoter Selling Shareholder), members of our Promoter Group, Directors, persons in control of the Promoter or Company, are not prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Promoter and Directors are not directors or promoters of any other company which is debarred from accessing the capital markets by SEBI.

Our Company, Promoter or Directors have not been declared as Wilful Defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoter or Directors have not been declared as Fugitive Economic Offenders.

None of our Company, our Promoter or our Directors have been declared as Fraudulent Borrowers.

Directors associated with the securities market

Except as disclosed below, none of our Directors are associated with the securities market, in any manner:

(i) Amit Dixit, who is associated as a non-executive director of ASK Investment Managers Limited, which is registered as a portfolio manager and a manager to a Category III AIF Fund; and
(ii) Prateek Roongta, who is associated as a non-executive director of ASK Investment Managers Limited, which is registered as a portfolio manager and a manager to a Category III AIF Fund; as a non-executive director of ASK Long-Short Fund Managers Private Limited, which is registered as a manager to a Category III AIF Fund; and as a non-executive director of ASK Wealth Advisors Private Limited, which is registered as an investment adviser, portfolio manager and manager to Category III and CAT II AIF Fund.

Further, there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Red Herring Prospectus.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoter (also Promoter Selling Shareholder), and members of our Promoter Group, severally and not jointly, confirm that it is in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Red Herring Prospectus.

Eligibility for the Offer

Our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulations 5 and 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations is as follows:

(i) Our Company, our Promoter, members of our Promoter Group and our Directors are not debarred from accessing the capital markets by SEBI;
(ii) The companies with which our Promoter or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;
(iii) Neither our Company, nor our Promoter, or Directors is a Wilful Defaulter or Fraudulent Borrower (as defined in the SEBI ICDR Regulations);
(iv) None of our Promoter or Directors has been declared as a Fugitive Economic Offender;
(v) Except for Equity Shares that may be allotted pursuant to the conversion of vested employee stock options, if any, granted under the ESOP 2020 and ESOP 2018, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Red Herring Prospectus;
(vi) Our Company along with Registrar to the Company has entered into tripartite agreements dated April 10, 2019 and January 12, 2021 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;
(vii) The Equity Shares held by our Promoter are in the dematerialised form;
(viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Red Herring Prospectus; and
(ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Fresh Issue and existing identifiable accruals.

The Promoter Selling Shareholder confirms that it has held the Offered Shares for a continuous period of at least one year prior to the date of this Red Herring Prospectus and accordingly it is in compliance with Regulation 8 of the SEBI ICDR Regulations.

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria calculated in accordance with the Restated Consolidated Financial Information:

(a) Our Company has had net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each). Since more than fifty per cent of the net tangible assets are held in monetary assets, our Company has made firm commitments to utilise such excess monetary assets in our business;

(b) Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

(c) Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

(d) Our Company has not changed its name in the last one year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Information included in this Red Herring Prospectus as at, and for the last three Fiscal Years, are set forth below:

(*₹ in million, unless otherwise stated*)

	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Net tangible assets (A) (1)	26,359.9	30,880.4	36,269.9
Monetary assets (B) (2)*	21,712.8	17,101.6	19,180.0
Monetary assets, as a percentage of net tangible assets (C=B/A*100)	82.4%	55.4%	52.9%
Pre-tax operating profit (3)	4,322.9	5,670.7	7,205.3
Net worth (4)	26,927.6	31,466.3	36,976.0

** As at March 31, 2021, March 31, 2022 and March 31, 2023, our Company has monetary assets more than 50% of net tangible assets, but the management of our Company has made firm commitments to utilize such excess monetary assets towards (i) repayment obligations under their loans within the period of 12 months from the end of the Financial Year 2023; and (ii) disbursement of new loans, without taking into consideration fresh borrowings availed by our Company during this period, as per the proviso to Regulation 6(1) of the SEBI ICDR Regulations.*

Notes:

(1) Net tangible assets means total assets (except other intangible assets, deferred tax assets, prepaid expenses, unamoritised share issue expenses, right to use assets) less total financial liabilities and total non financial liabilities.

(*₹ in million*)

Particulars	Financial Year 2021	Financial Year 2022	Financial Year 2023
Total assets (A)	136,303.3	143,758.1	166,178.7
Other intangible assets (B)	12.7	7.9	2.9
Deferred tax assets (net) (C)	2.8	2.8	2.6
Prepaid expenses (D)	38.7	43.9	62.5
Unamortised share issue expenses (E)	159.4	197.2	255.9
Right to use assets (F)	354.7	334.7	382.8
Total Financial liabilities (G)	108,906.4	111,807.9	128,724.2
Total Non-financial liabilities (H)	468.7	483.3	477.9
Net tangible assets (I) (A-B-C-D-E-F-G-H)	**26,359.9**	**30,880.4**	**36,269.9**

(2) Monetary assets represents total of cash and cash equivalents and other bank balances.

(*₹ in million*)

Particulars	Financial Year 2021	Financial Year 2022	Financial Year 2023
Cash and cash equivalents (A)	3,835.0	5,741.7	4,051.4
Other bank balances (B)	17,877.8	11,359.9	15,128.6
Monetary assets (A+B)	**21,712.8**	**17,101.6**	**19,180.0**

(3) Pre-tax operating profit represents profit before tax and exceptional items excluding other income.

(*₹ in million, unless otherwise stated*)

Particulars	Financial Year 2021	Financial Year 2022	Financial Year 2023
Profit before tax and exceptional items (A)	4,325.1	5,673.6	7,208.2
Other income (B)	2.2	2.9	2.9
Pre-tax operating profit (A-B)	**4,322.9**	**5,670.7**	**7,205.3**

The average pre-tax operating profit/(loss) of the Company for the preceding three fiscals, i.e., March 31, 2023, March 31, 2022 and March 31, 2021, is ₹5,733.0 million.

(4) Net worth represents equity share capital and other equity excluding capital reserve on amalgamation.

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations, we are required to allot not more than 50% of the Net Offer to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer to whom the Equity Shares will be Allotted will be not less than 1,000 and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

DISCLAIMER CLAUSE OF 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 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 BOOK RUNNING LEAD MANAGERS, BEING ICICI SECURITIES LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED AND SBI CAPITAL MARKETS LIMITED ("BRLMS"), 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, 2018, AS AMENDED. 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 SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF FOR THE OFFERED SHARES, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE PROMOTER SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 31, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER 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.

All legal requirements pertaining to the Offer will be complied with at the time of filing of this Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, the Promoter Selling Shareholder and Book Running Lead Managers

Our Company, our Directors, the Promoter Selling Shareholder and the BRLMs accept no responsibility for statements made in relation to the Company or the Offer other than those confirmed by it in relation to itself or its Offered Shares in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website https://aadharhousing.com/, or the respective websites of any of our Promoter (also the Promoter Selling Shareholder), the members of our Promoter Group or BRLMs would be doing so at his or her own risk. The Promoter Selling Shareholder, its partners, directors, key persons, affiliates, associates and officers accept or undertake no responsibility for any statements including without limitation any statement made by or in relation to the Company or its business, other than those specifically undertaken or confirmed by the Promoter Selling Shareholder in relation to itself and the Offered Shares.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company, the Promoter Selling Shareholder (to the extent that the information pertain to itself and the Offered Shares) and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

None among our Company, the Promoter Selling Shareholder or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software or hardware system or otherwise or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Banks on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, allot, 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 Shareholder, the Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Promoter Selling Shareholder, members of the Promoter Group and their respective group companies, their respective affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, the Promoter Selling Shareholder and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. 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 (who are competent to contract under the Indian Contract Act, 1872, as amended), including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, 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 constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, public financial institutions as specified in Section 2(72) of the Companies Act, provident funds (subject to applicable law) and pension funds, 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, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs (under Schedule I of the FEMA Rules) and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. The Draft Red Herring Prospectus did not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus was filed with SEBI for its observations and this Red Herring Prospectus has been filed with SEBI and the RoC. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Promoter Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be U.S. QIBs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Eligible Investors

The Equity Shares are being offered and sold:

(i) in the United States or to, or for the account or benefit of, persons reasonably believed to be U.S. QIBs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act; and

(ii) outside the United States in "offshore transactions" as defined in and 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 this Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the members of the Syndicate that it has received a copy of this Red Herring 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 are subject to restrictions on transfer and may not be offered or sold within the United States 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, (ii) is aware that the sale to it was made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;

4. the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

5. 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 (A)(i) to a person whom the beneficial owner and / or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act; or (ii) in an "offshore transaction" complying with Regulation S under the U.S. Securities Act; and (B) in accordance with all applicable laws, including the securities laws of the states of the United States, the purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

6. 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;

7. 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;

8. the purchaser agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), 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 "general solicitation" or "general advertising" (within the meaning of Rule 502(c) of Regulation D under the U.S. Securities Act), in the United States in connection with any offer or sale of the Equity Shares;

9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

10. **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 MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ACCORDINGLY, THE EQUITY SHARES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED (I) WITHIN THE UNITED STATES SOLELY TO PERSONS WHO ARE REASONABLY BELIEVED TO BE "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND (II) OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT, AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.**

11. 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; and

12. the purchaser acknowledges that the Company, the Selling Shareholders, the members of the Syndicate, 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 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 acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company, the Selling Shareholders and the members of the Syndicate that it has received a copy of this Red Herring 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, resold, pledged or transferred within the United States, 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 offered pursuant to this Offer in an "offshore transaction" meeting the requirements 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 offered pursuant to this Offer was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of 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 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. 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; and
7. the purchaser acknowledges that the Company, the 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 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.

The Company, the 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 maximum number of Equity Shares that can be held by them under applicable law.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company is set forth below:

"*BSE Limited ("**the Exchange**") has given vide its letter dated March 7, 2024, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:*

a) a warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
b) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever."

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus was submitted to NSE. The disclaimer clause as intimated by NSE to our Company, is set forth below:

"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/3447 dated March 07, 2024, 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 NHB

The Company is having a valid Certificate of registration dated April 5, 2018 as amended on May 31, 2018 issued by the National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987. However, the NHB does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinion expressed by the Company and for repayment of deposits/discharge of liabilities by the Company.

Listing

The Equity Shares Allotted through this Red Herring Prospectus are proposed to be listed on BSE and NSE. NSE shall be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such time period as may be prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer 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 in accordance with applicable law for the delayed period.

The Promoter Selling Shareholder undertakes to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from it in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Consents

Consents in writing of the Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, legal advisor, Bankers to our Company, the BRLMs, the Registrar to the Offer, Joint Statutory Auditors, CRISIL and independent chartered accountant, to act in their respective capacities have been obtained; and consents in writing of the Syndicate Members, Monitoring Agency, Escrow Collection Bank(s)/Refund Bank/ Public Offer Account Bank/ Sponsor Banks to act in their respective capacities, have been obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus for filing with the RoC.

Expert to the Offer

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

Our Company has received written consent dated April 30, 2024 from Walker Chandiok & Co LLP and Kirtane & Pandit LLP, Chartered Accountants, who hold valid peer review certificate from ICAI, to include their name as required under the SEBI ICDR Regulations in this Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditor and in respect of their examination report dated April 15, 2024 relating to the Restated Consolidated Financial Information; and (ii) reports each dated April 30, 2024 on the statement of possible special direct tax benefits and statement of possible special indirect tax benefits as included in this Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Particulars regarding public or rights issues by our Company during the last five years

Except as disclosed below, our Company has not undertaken any public or rights issue in the five years preceding the date of this Red Herring Prospectus:

Particulars	Details
Name of the company	Aadhar Housing Finance Limited
Year of issue	2020
Type of issue	Rights issue of equity shares
Amount of issue (₹)	5,000 million
Amount of allotment (₹)	5,000 million
Premium (₹)	898.05
Discount	NA
Date of closure of issue / Closing date	March 13, 2020
Date of allotment	March 26, 2020
Date of credit of securities to the demat account	March 27, 2020
Date of refunds	NA
Date of listing on the stock exchanges	NA
Date of completion of the project, where object of the issue was financing the project	NA
Rate of dividend paid	NA

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Our Company has not made any capital issues during the three years preceding the date of this Red Herring Prospectus.

As on the date of this Red Herring Prospectus, our Company does not have any associate entities, group companies or listed subsidiaries.

Performance vis-à-vis Objects

The details with respect to the performance vis-à-vis objects of all public or rights issue undertaken by our Company in the five years preceding the date of this Red Herring Prospectus are disclosed below:

S. No.	Date of issue	Nature of issue	Stated objects of the issue	Status of compliance with stated objects	Quantification of shortfall	Details of delay in case of non-achievement of objects
1.	March 26, 2020	Rights issue of equity shares	For general corporate purpose	Proceeds utilized as per objects	NA	NA

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed promoter of our Company

None of the equity shares of our Subsidiary or our Promoter is listed on any stock exchanges.

Stock Market Data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Commission or brokerage on previous issues in the last five years

Since this is the initial public offer of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for the last five years by our Company.

Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

1) I-Sec

Price information of past issues handled by I-Sec

Sl. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Jyoti CNC Automation Limited^^	10,000.00	331.00(1)	January 16, 2024	370.00	+78.07% [-0.87%]	+135.94% [+2.21%]	NA*
2.	EPACK Durable Limited^	6,400.53	230.00	January 30, 2024	225.00	-19.96% [-1.64%]	NA*	NA*
3.	Apeejay Surrendra Park Hotels Ltd^^	9,200.00	155.00(2)	February 12, 2024	186.00	+17.39% [+3.33%]	NA*	NA*
4.	Rashi Peripherals Limited^	6,000.00	311.00	February 14, 2024	335.00	-0.77% [+1.77%]	NA*	NA*
5.	Jana Small Finance Bank Limited^	5,699.98	414.00	February 14, 2024	396.00	-5.23% [+1.77%]	NA*	NA*
6.	Entero Healthcare Solutions Limited^	16,000.00	1,258.00(3)	February 16, 2024	1,149.50	-19.65% [+0.30%]	NA*	NA*
7.	Juniper Hotels Limited^^	18,000.00	360.00	February 28, 2024	365.00	+43.76% [+1.71%]	NA*	NA*
8.	Popular Vehicles and Services Limited^^	6,015.54	295.00	March 19, 2024	289.20	-15.59% [+1.51%]	NA*	NA*
9.	Bharti Hexacom Limited^	42,750.00	570.00	April 12, 2024	755.20	NA*	NA*	NA*
10.	JNK India Limited^^	6,494.74	415.00	April 30, 2024	621.00	NA*	NA*	NA*

**Data not available*
^BSE as designated stock exchange
^^NSE as designated stock exchange
(1) Discount of ₹ 15 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 331.00 per equity share.
(2) Discount of ₹ 7 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 155.00 per equity share.
(3) Discount of ₹ 119 per equity share offered to eligible employees. All calculations are based on Issue Price of ₹ 1,258.00 per equity share.

Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by I-Sec:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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%
2024-25*	2	49,244.74	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	28	2,70,174.98	-	-	8	5	8	7	-	-	-	6	-	1
2022-23	9	2,95,341.82	-	1	3	-	3	2	-	1	1	-	5	2

** This data covers issues up to YTD*

Notes:

1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.*
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 previous trading day*

2) Citi

Price information of past issues handled by Citi

Sl. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	India Shelter Finance Corporation Ltd	12,000.00	493.00	December 20, 2023	620.00	+17.64% [+1.48%]	+10.50% [+4.28%]	NA
2.	Tata Technologies Limited	30,425.14	500.00	November 30, 2023	1,200.00	+136.03% [+7.94%]	115.15% [+10.26%]	NA
3.	Honasa Consumer Limited	17,014.40	324.00	November 7, 2023	330.00	+17.58% [+7.89%]	34.77% [+12.61%]	NA
4.	R R Kabel Limited	19,640.10	1,035.00	September 20, 2023	1,179.00	+34.45% [-1.75%]	+64.44% [+6.76%]	+36.24% [+8.75%]
5.	Concord Biotech Limited	15,505.21	741.00	August 18, 2023	900.05	+36.82% [+4.57%]	+83.91% [+1.89%]	+88.78% [+12.60%]
6.	Delhivery Limited	52,350.0	487.00	May 24, 2022	495.20	+3.49% [-4.41%]	+17.00% [+10.13%]	-27.99% [+13.53%]
7.	Life Insurance Corporation of India	205,572.3	949.00	May 17, 2022	872.00	-27.2% [-3.3%]	-28.1% [+9.5%]	-33.8%[+13.8%]
8.	Star Health and Allied Insurance Company Limited	64,004.39	900.00	December 10, 2021	845.00	-14.78% [+1.96%]	-29.79% [-6.66%]	-22.21% [-6.25%]
9.	One 97 Communications Limited	183,000.00	2,150.00	November 18, 2021	1,955.00	-38.5% [-4.4%]	-60.40% [-2.5%]	-72.5% [-11.2%]
10.	PB Fintech Limited	57,097.15	980.00	November 15, 2021	1,150.00	14.86% [-4.17%]	-20.52% [-4.06%]	-33.86% [-12.85%]

Notes:

1. Benchmark index basis designated stock exchange.

2. % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.

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 closing price on designated stock exchange of a trading day immediately prior to the 30th / 90th / 180th day, is considered.

4. Limited to past 10 issues

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Citi:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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%
2024-25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	5	94,584.85	-	-	-	1	2	2	-	-	-	1	1	-
2022-23	2	257,922.30	-	1	-	-	-	1	-	2	-	-	-	-

Source: www.nseindia.com

Notes:

1. *The information is as on the date of the document.*
2. *The information for each of the Financial Years is based on issues listed during such Financial Year.*
3. *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.*

3) Kotak

Price information of past issues handled by Kotak

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	India Shelter Finance Corporation Limited	12,000.00	493	December 20, 2023	620.00	+17.64%, [1.48%]	+10.50%, [+4.28%]	Not Applicable
2.	Honasa Consumer Limited	17,014.40	324[1]	November 7, 2023	330.00	+17.58%, [+7.89%]	+34.77%, [+12.61%]	Not Applicable
3.	Cello World Limited	19,000	648[2]	November 6, 2023	829.00	+21.92%, [+7.44%]	+32.99%, [+12.58%]	Not Applicable
4.	Blue Jet Healthcare Limited	8,402.67	346	November 1, 2023	380.00	+4.08%, [+6.02%]	+10.10%, [+14.47%]	+11.16%, [+18.07%]
5.	JSW Infrastructure Limited	2,800.00	119	October 3, 2023	143.00	+41.34%, [-2.93%]	+75.04%, [+10.27%]	+106.30%, [+12.42%]
6.	Signatureglobal (India) Limited	7,300.00	385	September 27, 2023	444.00	+35.79%, [-4.36%]	+112.43%, [+8.28%]	+244.65%, [+12.07%]
7.	SAMHI Hotels Limited	13,701.00	126	September 22, 2023	130.55	+15.16%, [-0.93%]	+ 27.94%, [+ 6.81%]	+62.98%, [+9.09%]
8.	Concord Biotech Limited	15,505.21	741[3]	August 18, 2023	900.05	+36.82%, [+4.57%]	+ 83.91%, [+ 1.89%]	+88.78%, [+12.60%]
9.	SBFC Finance Limited	10,250.00	57[4]	August 16, 2023	82.00	+51.75%, [+3.28%]	+61.14%, [-0.11%]	+54.12%, [+11.91%]
10.	Utkarsh Small Finance Bank Limited	5,000.00	25	July 21, 2023	40.00	+92.80%, [-2.20%]	+119.00%, [-0.37%]	+144.40%, [+11.58%]

Source: www.nseindia.com; www.bseindia.com

Notes:

1. *In Honasa Consumer Limited, the issue price to eligible employees was ₹ 294 after a discount of ₹ 30 per equity share.*
2. *In Cello World Limited, the issue price to eligible employees was ₹ 587 after a discount of ₹ 61 per equity share.*
3. *In Concord Biotech Limited, the issue price to eligible employees was ₹ 671 after a discount of ₹ 70 per equity share.*
4. *In SBFC Finance Limited, the issue price to eligible employees was ₹ 55 after a discount of ₹ 2 per equity share.*
5. *In the event any day falls on a holiday, the price/index of the immediately preceding trading 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. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.*
8. *Restricted to last 10 equity initial public issues.*

Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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%
2024-25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	11	179,436.83	-	-	-	2	4	5	-	-	-	7	-	1
2022-23	10	367,209.37	-	1	2	-	3	4	-	2	1	2	3	2

Notes:

1. *The information is as on the date of this Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

4) Nomura

Price information of past issues handled by 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 days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Protean eGov Technologies Limited	4,899.51	792[1]	November 13, 2023	792.00	+45.21% [+7.11%]	+73.18% [+10.26%]	Not applicable
2	Avalon Technologies Limited	8,649.99	436	April 18, 2023	436.00	-10.09% [+2.95%]	+59.45% [+10.78%]	+21.32% [+11.84%]
3	Five-Star Business Finance Limited	15,885.12	474	November 21, 2022	468.80	+29.72% [+1.24%]	+19.20% [-1.19%]	+11.72% [+0.24%]
4	Life Insurance Corporation of India	205,572.31	949[2]	May 17, 2022	867.20	-27.24% [-3.27%]	-28.12% [+9.47%]	-33.82% [+13.76%]
5	MedPlus Health Services Limited	13,982.95	796[3]	December 23, 2021	1,015.00	+53.22% [+3.00%]	23.06% [+1.18%]	-6.55% [-9.98%]
6	Shriram Properties Limited	6,000.00	118[4]	December 20, 2021	90.00	-12.42% [+9.02%]	-33.39% [+4.05%]	-46.69% [-7.95%]
7	RateGain Travel Technologies Limited	13,357.35	425[5]	December 17, 2021	360.00	+11.99% [+7.48%]	-31.08% [-0.06%]	-35.24% [-7.38%]
8	Fino Payments Bank	12,002.93	577	November 12, 2021	548.00	-30.55% [-3.13%]	-34.56% [-3.66%]	-52.33% [-10.42%]
9	Sansera Engineering	12,829.78	744	September 24, 2021	811.35	+0.30% [+1.29%]	+1.57% [-5.19%]	-21.26% [-3.43%]
10	CarTrade Tech Limited	29,985.13	1,618	August 20, 2021	1,599.80	-10.31% [+6.90%]	-32.68% [+8.80%]	-61.17% [+5.48%]

Source: *www.nseindia.com, www.bseindia.com*

1. *Discount of ₹ 75.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion.*
2. *Discount of ₹ 60.00 per Equity Share was offered to eligible policyholders bidding in the Policyholder Reservation Portion, discount of ₹ 45.00 per Equity Share was offered to eligible employees and retail individual bidders bidding in the Employee Reservation Portion and the Retail Portion respectively.*
3. *Discount of ₹ 78.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion.*
4. *Discount of ₹ 11.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion.*
5. *Discount of ₹ 40.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion.*

Notes:

a. *For each issue, depending on its Designated Stock Exchange, BSE or NSE; Sensex or Nifty50 is considered as the benchmark for each issue.*
b. *For each issue, depending on its Designated Stock Exchange, price on BSE or NSE is considered for above calculations.*
c. *In case 30th/90th/180th day is not a trading day, closing price on BSE or NSE of the previous trading day has been considered.*
d. *Not applicable – Period not completed.*
e. *Above list is limited to last 10 equity initial public issues*

Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by Nomura:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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%
2024-2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023-2024	2	13,549.50	-	-	1	-	1	-	-	-	-	-	-	1
2022-2023	2	221,457.43	-	1	-	-	1	-	-	1	-	-	-	1

Source*: www.nseindia.com, www.bseindia.com*

Notes:

a) *The information is as on the date of this document*
b) *The information for each of the financial years is based on issues listed during such financial year*

5) SBICAPS

Price information of past issues handled by SBICAPS

Sr. No.	Issue Name**	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Bharti Hexacom Ltd@	42,750	570.00	April 12,2024	755.20	-	-	-
2	R K Swamy Limited(1) @	4,235.60	288.00	March 12, 2024	252.00	-	-	-
3	Entero Healthcare Solutions Ltd(2) @	1,6000.00	1,258.00	February 16, 2024	1,245.00	-19.65% [+0.30%]	-	-
4	Jana Small Finance Bank@	5,699.98	414.00	February 14, 2024	396.00	-5.23% [+1.77%]	-	-
5	Medi Assist Healthcare Services Ltd@	11,715.77	418.00	January 23, 2024	465.00	+22.32% [+3.40%]	+15.66% [4.06%]	
6	Jyoti CNC Automation Limited#	10,000.00	331.00	January 16, 2024	370.00	+78.07% [-0.87%]	+135.94% [+2.21%]	-
7	Azad Engineering Limited@	7,400.00	524.00	December 28, 2023	710.00	+29.06% [-2.36%]	153.72% [+0.08%]	-
8	Muthoot Microfin Limited(3) @	9,600.00	291.00	December 26, 2023	278.00	-20.77% [-0.39%]	-31.15% [+2.10%]	-
9	Indian Renewable Energy Development Agency Limited#	21,502.12	32.00	November 29,2023	50.00	+204.06% [+8.37%]	+373.44%[+10.08%]	-
10	Updater Services Ltd@	6,400.00	300.00	October 4, 2023	299.90	-13.72%, [-1.76%]	+9.05% [+10.80%]	+6.77%[+12.92%]

Source: www.nseindia.com and www.bseindia.com

Notes:

* *The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days isa trading holiday, the previous trading day is considered for the computation. We have taken the issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.*

** *The information is as on the date of this document.*

* *The information for each of the financial years is based on issues listed during such financial year.*

@ *The S&P BSE SENSEX index is considered as the Benchmark Index, BSE being the designated stock exchange*

\# *The Nifty 50 index is considered as the Benchmark Index, NSE being the designated stock exchange*

1 *Price for eligible employee was ₹261.00 per equity share*

2 *Price for eligible employee was ₹1,139.00 per equity share*

3 *Price for eligible employee was ₹ 277.00 per equity share*

Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by SBICAPS:

Financial Year	Total no. of IPOs #	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			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%	Betwee n 25-50%	Less than 25%
2024-25*	1	42,750	-	-	-	-	-	-	-	-	-	-	-	-
2023-24	12	1,32,353.46	-	2	5	2	2	1	-	-	1	3	-	1
2022-23	3	2,28,668.02	-	1	2	-	-	-	-	1	1	-	1	-

* *The information is as on the date of this Red Herring Prospectus.*

\# *Date of Listing for the issue is used to determine which financial year that particular issue falls into.*

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as provided in the table below::

S. No.	Name of BRLM	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	Citigroup Global Markets India Private Limited	http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
3.	Kotak Mahindra Capital Company Limited	https://investmentbank.kotak.com
4.	Nomura Financial Advisory and Securities (India) Private Limited	www.nomuraholdings.com/company/group/asia/india/index.html
5.	SBI Capital Markets Limited	https://www.sbicaps.com

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges or any such period as prescribed under the applicable laws, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All Offer related 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 ASBA Form was submitted, giving full details such as name of the sole or first Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. For offer related grievances, investors may contact the BRLMs, details of which are given in "*General Information*" beginning on page 65.

All Offer related 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, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/ /2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and subject to applicable law, 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. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Separately, pursuant to the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the applicable provisions of SEBI ICDR Regulations. 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.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Bidders can contact our Company Secretary and Compliance Officer, the BRLMs 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 intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SEBI SCORES in terms of the SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint, provided however, in relation to complaints pertaining to blocking/unblocking of funds, investor complaints shall be resolved on the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has received one investor complaints during the three years preceding the date of this Red Herring Prospectus, which has been resolved. Accordingly, no investor complaint in relation to our Company is pending as on the date of this Red Herring Prospectus.

Investors can contact the Company Secretary and Compliance Officer, the BRLMs 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. Our Company has also appointed Harshada Pathak, Company Secretary of our Company as the Compliance Officer for the Offer. For helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information*" beginning on page 65. Our Company has constituted a Stakeholders' Relationship Committee comprising Nivedita Haran (*Chairperson*), Prateek Roongta and Deo Shankar Tripathi as members, which is responsible for redressal of grievances of the security holders of our Company. For details, see "*Our Management - Stakeholders' Relationship Committee*" on page 205.

Exemption from complying with any provisions of SEBI ICDR Regulations

As on the date of this Red Herring Prospectus, our Company has not applied for or received any exemption from the SEBI from compliance with any provisions of securities laws including the SEBI ICDR Regulations.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of this Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents or certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RBI, RoC, NHB 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, NHB, Government of India, the Stock Exchanges, RoC and/ or any other authorities while granting their approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Promoter Selling Shareholder. For details in relation to Offer expenses, see "*Objects of the Offer– Offer expenses*" on page 93.

Ranking of the Equity Shares

The Equity Shares being offered and Allotted shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR our MoA and AoA and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. For further details, "*Main Provisions of Articles of Association*" beginning on page 424.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the MoA and AoA and provisions of the SEBI Listing Regulations and any other guidelines, regulations or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" beginning on pages 214 and 424, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10 and the Offer Price is ₹ [●] per Equity Share. The Floor Price is ₹ [●] per Equity Share and at the Cap Price is ₹ [●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Offer Price, Price Band, and the minimum Bid Lot will be decided by our Company in consultation with the BRLMs, and advertised in all editions of Financial Express, an English national daily newspaper and all editions of Jansatta, a Hindi national daily newspaper and Bengaluru editions of Vishwavani, a Kannada daily newspaper (Kannada being the regional language of Karnataka, where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms, which shall be available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company in consultation with the BRLMs, after the Bid/ Offer Closing Date, by way of the Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our AoA, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy and "e-voting", in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable laws including any NHB and RBI rules and regulations and foreign exchange laws; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, our AoA and applicable law.

For a detailed description of the main provisions of the AoA of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Main Provisions of Articles of Association*" beginning on page 424.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated January 12, 2021 amongst our Company, CDSL and the Registrar to the Offer; and
- Tripartite agreement dated April 10, 2019 between our Company, NSDL and the Registrar to the Offer.

For details in relation to the Basis of Allotment, see "*Offer Procedure*" beginning on page 404.

Employee Discount

Employee discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion respectively. Eligible Employees bidding in the Employee Reservation Portion respectively at a price within the Price Band can make payment based on, Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, if any, at the time of making a Bid.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in dematerialised and electronic form in multiples of [●] Equity Share(s) subject to a minimum Allotment of [●] Equity Shares. For further details on the Basis of Allotment, see "*Offer Procedure*" beginning on page 404.

Joint Holders

Subject to the provisions contained in our AoA, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, Maharashtra, India.

Period of subscription list of the Offer

For details, see "*– Bid/ Offer Programme*" on page 396.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who made the nomination, by giving a notice of such cancellation or variation to our Company. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by our 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, our 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, our Board may thereafter withhold payment of all dividends, interests, 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 respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company in consultation with the BRLMs, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges simultaneously. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Banks (in case of UPI Bidders using the UPI Mechanism, subject to the Bid Amount being up to ₹ 200,000), to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

If our Company, in consultation with the BRLMs, withdraw the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue 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 (i) the filing of the Prospectus with the RoC; and (ii) obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Bid/Offer Programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER OPENS ON	Wednesday, May 8, 2024(1)
BID/OFFER CLOSES ON	Friday, May 10, 2024(2)
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Monday, May 13, 2024
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about Tuesday, May 14, 2024
Credit of Equity Shares to demat accounts of Allottees	On or about Tuesday, May 14, 2024
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Wednesday, May 15, 2024

1. *Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*
2. *UPI mandate end time and date shall be at 5:00 p.m. on the Bid/ Offer Closing Date.*

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher, for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs and shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated by the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, and the SEBI ICDR Master Circular, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022*

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Promoter Selling Shareholder or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or such other time as prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or 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 Shareholder confirms that it shall extend reasonable co-operation in relation to the Offered Shares required by our Company and the BRLM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such other time as may be prescribed by SEBI.

SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the post issue timeline for initial public offerings. The revised timeline of T+3 days has been made applicable in two phases, i.e., voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. Accordingly, the Offer will be made under UPI Phase III on mandatory T+3 days listing basis, subject to the timing of the Offer and any circulars, clarification or notification issued by the SEBI from time to time, including with respect to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the Allotment and listing procedure within three Working Days from the Bid/Offer Closing Date or such other time as prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.
Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date*	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) – For RIBs, other than QIBs and Non-Institutional Investors, and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate Non-Retail, Non-Individual Applications	Only between 10.00 a.m. and up to 12.00 p.m. IST
Modification/ Revision/cancellation of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. and up to 4.00 p.m. IST on Bid/ Offer Closing Date
Upward or downward Revision of Bids or cancellation of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST

** UPI mandate end time and date shall be at 05:00 p.m. on Bid/ Offer Closing Date.*
 # QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion.

On the Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by RIBs and Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/Offer Opening Date until the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the Registrar to the Offer on a daily basis.
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, or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date, and in any case, no later than 1:00 pm IST on the Bid/Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). None of our Company, the Promoter Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Banks due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE, respectively, Bids and any revision in Bids shall not be accepted on Saturdays, Sundays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company, in consultation with the BRLMs reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Banks, as applicable. In case of a revision of the Price Band, the Bid lot shall remain the same.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or subscription level falls below aforesaid minimum subscription after the Bid/Offer Closing Date due to withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund/unblock the entire subscription amount received in accordance with applicable law including the SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, including the SEBI master circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. If there is a delay beyond two days, our Company, to the extent applicable, shall pay interest at the rate of 15% per annum as per the SEBI circular (mentioned above). The Promoter Selling Shareholder shall reimburse any expenses and interest incurred by our Company on behalf of the Promoter Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Promoter Selling Shareholder shall not be responsible or liable for payment of such interest, unless such delay is solely and directly attributable to an act or omission of the Promoter Selling Shareholder in relation to its portion of the Offered Shares. All refunds made, interest borne, and expenses incurred (with regard to payment of refunds) by our Company on behalf of the Promoter Selling Shareholder will be adjusted or reimbursed by the Promoter Selling Shareholder, to our Company as agreed among our Company and the Promoter Selling Shareholder in writing, in accordance with Applicable Law.

The requirement for minimum subscription of 90% is not applicable to the Offer for Sale. In case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority: (i) through the sale of Offered Shares being offered by the Promoter Selling Shareholder in the Offer for Sale; and (ii) through the issuance of balance part of the Fresh Issue.

Undersubscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company and the Promoter Selling Shareholder shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company and the Promoter Selling Shareholder shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for disposal of odd lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions, if any on transfer and transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, subject to some exceptions as provided under SEBI ICDR Regulations, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 74 and except as provided in the AoA, there are no restrictions on transfer or transmission of Equity Shares. For details see "*Main Provisions of Articles of Association*" beginning on page 424.

New financial instruments

Our Company is not issuing any new financial instruments through this Offer.

OFFER STRUCTURE

The Offer is of up to [●] Equity Shares of face value of ₹ 10 at an Offer Price of ₹ [●] per Equity Share for cash (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹30,000 million comprising a Fresh Issue of up to [●] Equity Shares aggregating up to ₹10,000 million and an Offer of Sale of up to [●] Equity Shares aggregating up to ₹20,000 million by the Promoter Selling Shareholder. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer less the Employee Reservation Portion is the Net Offer. The Offer comprises a Net Offer of up to [●] Equity Shares and Employee Reservation Portion of up to [●] Equity Shares aggregating up to ₹70 million. The Employee Reservation Portion shall not exceed 5% of our post-Offer paid-up Equity Share capital.

The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company. The face value of the Equity Shares is ₹10 each.

The Offer is being made through the Book Building Process.

Particulars	QIBs(1)	Non-Institutional Bidders	RIBs	Employee Reservation Portion(2)
Number of Equity Shares available for Allotment or allocation*(3)	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders	Up to [●] Equity Shares
Percentage of Offer size available for Allotment or allocation	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Offer or the Net Offer less allocation to QIB Bidders and RIBs The allotment to each NIB shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares if any, if any, shall be available for allocation out of which: a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Biddings more than ₹ 200,000 and up to ₹ 1,000,000; b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Bidding more than ₹ 1,000,000. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.	Not less than 35% of the Net Offer or the Net Offer less allocation to QIB Bidders and Non-Institutional Bidders	The Employee Reservation Portion shall constitute up to [●] % of the Offer size
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares	The allotment to each NIB shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available	Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of the Employee Discount, if

Particulars	QIBs[(1)]	Non-Institutional Bidders	RIBs	Employee Reservation Portion[(2)]
	shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. c) Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	basis, in accordance with the conditions specified in the SEBI ICDR Regulations subject to: a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Biddings more than ₹ 200,000 and up to ₹ 1,000,000; b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Bidding more than ₹ 1,000,000. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.	Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure*", beginning on page 404.	any). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees Bidding in the Employee Reservation Portion for a value exceeding ₹200,000 (net of Employee Discount, if any) subject to total Allotment to an Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any)
Mode of Bid^	ASBA only (excluding the UPI Mechanism) except for Anchor Investors ([4])	ASBA only (including the UPI Mechanism for Bids up to ₹ 5,00,000)	ASBA only (including the UPI Mechanism)	ASBA only (including the UPI Mechanism)
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000	[●] Equity Shares	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, (excluding the Anchor portion), subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB Portion), subject to limits applicable to Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000	Such number of Equity Shares and in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹500,000, less Employee Discount, if any
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply([5])	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, VCFs, AIFs, FVCIs registered with SEBI, FPIs other than individuals, corporate bodies and family offices, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices which are recategorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)	Eligible Employees

Particulars	QIBs[(1)]	Non-Institutional Bidders	RIBs	Employee Reservation Portion[(2)]
	established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.			
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids.([6]) **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Banks through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			

* *Assuming full subscription in the Offer.*

^ *SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹0.50 million, shall use UPI. Individual investors Bidding under the Non-Institutional Portion Bidding for more than ₹0.20 million and up to ₹0.50 million, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers. Further SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the investors. Accordingly, Stock Exchanges shall, for all categories of investors viz. QIBs, NIIs and RIIs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

(1) *Our Company may, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100 million but up to ₹ 2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof will be permitted, subject to minimum allotment of ₹ 50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.*

(2) *Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹ ₹500,000 (net of Employee Discount, if any). However, a Bid by an Eligible Employee Bidding in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000 (net of Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees Bidding in the Employee Reservation Portion who have Bid in excess of ₹200,000 (net of Employee Discount, if any), subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount, if any). Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Non-Institutional Portion or the RIB Portion and such Bids will not be treated as multiple Bids. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.*

(3) *Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.*

(4) *Anchor Investors are not permitted to use the ASBA process.*

(5) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. 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 would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.*

(6) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Promoter Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by Foreign Portfolio Investors*" on page 410 and having same PAN will be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) will be proportionately distributed.

Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis.

However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" beginning on page 394.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is 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 Offer, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, the SEBI has increased the UPI limit from ₹ 2,00,000 to ₹ 5,00,000 for all the individual investors applying in public issues.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with the timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 had extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023.*

The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, which came into force with effect from May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023. The SEBI RTA Master Circular consolidated the aforementioned circulars (excluding SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023) and rescinded these circulars to the extent relevant for RTAs. The provisions of these circulars are deemed to form part of this Red Herring Prospectus. Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL. Our Company have requested Depositories to suspend /Freeze the ISIN in Depository system from the date of RHP till listing/ trading effective date. The shareholders who intend to transfer the pre-IPO shares may request our Company/ Registrar to the Offer for facilitating transfer of shares under suspended / Frozen ISIN by submitting requisite documents. our Company/ Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective Depository to execute the transfer of shares under suspended ISIN through Corporate Action (CA). The transfer request shall be accepted from Issuer till one day prior to issue opening date.

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 this Red Herring Prospectus.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are *blocked in the bank accounts of investors (all categories).*

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one-third shall be available for allocation to 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, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be 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, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to [●] Equity Shares, aggregating to ₹70 million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

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 category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs, and the Designated Stock Exchange and subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. Further, in the event of an under-subscription in the Employee Reservation Portion, 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 (net of the Employee Discount, if any), subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000 (net of the Employee Discount, if any). The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders 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, UPI ID (in case of UPI Bidders Bidding in the Employee Reservation Portion using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by UPI Bidders through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days during this phase.

Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (the "**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post–Offer BRLM will be required to compensate the concerned investor.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. The Offer is being made under Phase III of the UPI (on a mandatory basis).

Further, pursuant to SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

i. a syndicate member;
ii. a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
iii. a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
iv. a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the relevant Bidding Centres, and at our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date. The Bid Cum Application Forms for Eligible Employees Bidding in the Employee Reservation Portion will be available only at our offices and branches in India.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.

ASBA Bidders (i.e., those not using the UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

The UPI Bidders Bidding using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the 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. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of Electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Since the Offer is made under Phase III (on a mandatory basis), ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIBs (other than the RIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
(iii) QIBs and NIBs not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.
(iv) ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked / unblocked.

For all IPOs opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The circular is applicable for all categories of investors viz. Retail, QIB and NIB and also for all modes through which the applications are processed.

UPI Bidders bidding through UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form is available with the BRLMs.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including QIBs, Non-institutional Investors and Retail Individual Investors, each resident in India and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors	White
Eligible Employees Bidding in the Employee Reservation Portion	Pink

* *Excluding electronic Bid cum Application Form.*
** *Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*
Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

The Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any escrow bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded up to 5.00 p.m. on Bid/ Offer Closing Date.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) 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(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis through API integration to enable the Sponsor Banks to initiate a UPI Mandate Request to such Retail Individual Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR /2022/75 dated May 30, 2022.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

For all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 05:00 p.m. on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022:

a) Cut-off time for acceptance of UPI mandate shall be up to 5:00 p.m. on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and Depository Participants shall continue till further notice;
b) There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued;
c) Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 4.00 p.m. 4:00 p.m. for QIBs and Non-Institutional Bidders categories and up to 5.00 p.m. for Retail Individual, Eligible Employee Bidders and Eligible Shareholders Bidders categories on the initial public offer closure day;
d) QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids;
e) The Stock Exchanges shall display Offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/ client, based on responses/status received from the Sponsor Banks.

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.

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 Offer.
b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.
c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 5:00 pm IST on the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoter and Promoter Group of the Company, the BRLMs and the Syndicate Members and persons related to Promoter/Promoter Group/the Book Running Lead Managers

The BRLMs and the Syndicate Members shall not be 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 Bid for 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 or in any other manner as introduced under applicable laws and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the BRLMs nor any associate of the BRLMs can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the BRLMs;
(ii) insurance companies promoted by entities which are associate of the BRLMs;
(iii) AIFs sponsored by the entities which are associate of the BRLMs; or
(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the BRLMs; or
(v) Pension funds sponsored by entities which are associate of the BRLMs.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoter and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. However, a qualified institutional buyer who has any of the following rights in relation to the Company shall be deemed to be a person related to the Promoter or Promoter Group of our Company:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoter or Promoter Group of our Company;
(ii) veto rights; or
(iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLM" if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or
(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or
there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

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 such Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV 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, exchange traded funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

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). Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment.

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their NRE accounts, or Foreign Currency Non-Resident accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their NRO accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Participation of Eligible NRIs in the Offer shall be subject to compliance with the FEMA Rules. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up Equity Share capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Our Company has, pursuant to a Board resolution dated January 21, 2024 and Shareholders' resolution dated January 24, 2024 increased the limit of investment of NRIs and OCIs from 10% to up to 24% of the paid-up equity share capital of the Company.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 423.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

For further details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 423.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

Bids by Hindu Undivided Families

Bids by Hindu Undivided Families or HUFs should be made, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/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.

Bids by Foreign Portfolio Investors

An FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognised stock exchange in India, and/or may purchase or sell securities other than equity instruments.

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.

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022 ("**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to 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 a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 21(2) of the SEBI FPI Regulations; and

(b) prior consent of the FPI 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 FPI.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in the Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

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, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013 (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company, 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 SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The SEBI FVCI Regulations as amended, *inter alia*, prescribe the investment restrictions on VCFs, and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA Rules, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company directly or through investments in the units of other AIFs. A category III AIFs cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, and the Promoter Selling Shareholder and the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules.

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, in consultation with the BRLMs 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 the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason, thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("**Banking Regulation Act**"). and the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, 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 banking company's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves.

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, subject to prior approval of the RBI, if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of 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 paragraph 5(a)(v)(c)(i) of the Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by Self-Certified Syndicate Banks

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively, issued by SEBI. 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 applications.

Bids by insurance companies

In case of Bids made 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, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates.

Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable law, 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, in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids by systemically important non-banking financial companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 (net of the Employee Discount, if any). However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000 (net of the Employee Discount, if any). Only in the event of an under-subscription in the Employee Reservation Portion post the initial allocation, such unsubscribed portion may be allocated on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000 (net of the Employee Discount, if any), subject to the total Allotment to an Eligible Employee not exceeding ₹500,000 (net of the Employee Discount, if any). Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour form).
(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹500,000 (net of the Employee Discount, if any). Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.
(c) Only Eligible Employees would be eligible to apply in this Offer under the Employee Reservation Portion and the Bidder should be an Eligible Employee as defined above.
(d) Only those Bids, which are received at or above the Offer Price, would be considered for Allotment under this category.
(e) An Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Non-Institutional Portion or the RIB Portion and such Bids will not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories
(f) In case of joint bids, the First Bidder shall be an Eligible Employee.
(g) If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

Under-subscription, if any, (including Employee Reservation Portion), in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000 (net of the Employee Discount, if any). In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for value exceeding ₹200,000 up to ₹500,000 (net of the Employee Discount, if any).

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

1. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
2. The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
3. One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
4. Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date and will be completed on the same day.
5. Our Company, in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

6. Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.
7. Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
8. 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the 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.
9. If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
10. The Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations.
11. Neither the (a) BRLMs (s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs, pension funds sponsored by entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLMs) or pension fund sponsored by entities which are associate of the BRLMs nor (b) the Promoter, Promoter Group or any person related to the Promoter or members of the Promoter Group shall apply under the Anchor Investors category.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids. For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder, and the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that 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 regulations, or as specified in the Draft Red Herring Prospectus, this Red Herring Prospectus or as will be specified in the Prospectus.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023;
2. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not an UPI Bidder bidding using the UPI Mechanism in the Bid cum Application Form and if you are an UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
6. UPI Bidders through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;
8. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;
9. UPI Bidders Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party.
10. RIBs not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs.
11. Ensure that you mandatorily have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
12. If the First Bidder is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number in the Bid cum Application Form (for all ASBA Bidders other than UPI Bidders);
13. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms;
14. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
15. The ASBA bidders shall ensure that bids above ₹0.50 million, are uploaded only by the SCSBs;
16. Ensure that the name(s) given in the Bid cum Application Form is/are 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 only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
17. UPI Bidders Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
18. Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs or the relevant Designated Intermediary, as applicable;
19. UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;
20. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
21. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Banks, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Banks for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
22. 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 no. MRD/Dop/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular no. MRD/DoP/SE/Cir- 8 /2006 dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, 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 beneficial 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. All other applications in which PAN is not mentioned will be rejected;
23. Ensure that the Demographic Details are updated, true and correct in all respects;

24. 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;
25. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
26. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;
27. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
28. UPI Bidders who wish to Bid should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;
29. Since the Allotment will be in demat form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
30. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Banks to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
31. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Banks prior to 12:00 p.m. IST of the Working Day immediately after the Bid/ Offer Closing Date;
32. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;
33. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
34. Bids by Eligible NRIs for a Bid Amount of less than ₹0.20 million would be considered under the retail category for the purposes of allocation and Bids for a Bid Amount exceeding ₹0.20 million would be considered under the non-institutional category for allocation in the Offer;
35. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, an UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Banks to block the Bid Amount mentioned in the Bid Cum Application Form; and
36. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).
37. Bidders (except UPI Bidders) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Banks issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner.
38. UPI Bidders who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Banks to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;
2. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be after you have submitted a Bid to a Designated Intermediary;
3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
4. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
5. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
10. Do not submit the Bid for an amount more than funds available in your ASBA account;
11. 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 a Bidder;
12. In case of ASBA Bidders, do not submit more than one ASBA Form from an ASBA Account;
13. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI Bidders using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
14. If you are an UPI Bidder, do not submit more than one Bid cum Application Form for each UPI ID;
15. Anchor Investors should not Bid through the ASBA process;
16. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
17. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
18. Do not submit the General Index Register (GIR) number instead of the PAN;
19. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
20. 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;
21. 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);
22. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
23. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;
24. Do not Bid on another Bid cum Application Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
25. Do not Bid for Equity Shares more than what is specified for each category;
26. If you are a QIB, do not submit your Bid after 3 p.m. IST on the QIB Bid/Offer Closing Date;
27. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of this Red Herring Prospectus;
28. 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 Bidder. RIBs can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;
29. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres. If you are UPI Bidder, do not submit the ASBA Form directly with SCSBs;
30. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;
31. Do not Bid if you are an OCB;
32. UPI Bidders using the incorrect UPI handle or using a bank account of an SCSB and/ or mobile applications which is not mentioned in the list provided on the SEBI website is liable to be rejected;
33. Do not submit the Bid cum Application Forms to any non-SCSB bank;
34. Do not submit a Bid cum Application Form with third party ASBA Bank Account or UPI ID (in case of Bids submitted by UPI Bidder);
35. Do not Bid for a Bid Amount exceeding ₹0.20 million (for Bids by Retail Individual Bidders) ₹ 0.50 million for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
36. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders; and
37. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹0.50 million.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for technical rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

(a) Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
(b) Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
(c) Bids submitted on a plain paper;

(d) Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

(e) Bids under the UPI Mechanism submitted by UPI Bidders using third-party bank accounts or using a third-party linked bank account UPI ID (subject to availability of information regarding third-party account from Sponsor Banks);

(f) Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

(g) Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

(h) ASBA Form by the UPI Bidders using third party bank accounts or using third party linked bank account UPI IDs;

(i) ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

(j) Bids submitted without the signature of the First Bidder or sole Bidder;

(k) The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

(l) Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

(m) GIR number furnished instead of PAN;

(n) Bids by RIBs with Bid Amount of a value of more than ₹ 200,000;

(o) Bids by Eligible Employees Bidding in the Employee Reservation Portion with Bid Amount of a value of more than ₹ 500,000 (net of discount, if any);

(p) Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

(q) Bids accompanied by stock invest, money order, postal order, or cash; and

(r) Bids uploaded by QIBs and by Non-Institutional Bidders after 4:00 p.m. on the Bid/ Offer Closing and Bids by RIBs, Eligible Employees Bidding in the Employee Reservation Portion uploaded after 5:00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchange. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Further, in case of any pre-Offer or post -Offer related issues regarding share certificates/ demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For further details of the Company Secretary and Compliance Officer, see "*General Information*" and "*Our Management*" beginning on pages 65 and 196, respectively.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process. In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and the BRLMs shall continue to coordinate with intermediaries involved in the said process.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the Basis of Allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, and the Company along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of Allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through this Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Net Offer to public may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs, Non-Institutional Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis.

Subject to the availability of Equity Shares in the respective categories, the allotment of Equity Shares to each of the RIBs and NIBs shall not be less than the minimum bid lot or the minimum application size, as the case maybe, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

The allocation of Equity Shares to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate in accordance with the conditions specified in this regard mentioned in SEBI ICDR Regulations.

Payment into Anchor Investor Escrow Accounts

Our Company, in consultation with the BRLMs will decide the list of Anchor Investors to whom the CAN will be 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 should be drawn in favour of:

(a) In case of resident Anchor Investors: "Aadhar Housing Finance Limited – Anchor Investor-Resident Account"
(b) In case of Non-Resident Anchor Investors: "Aadhar Housing Finance Limited – Anchor Investor-Non-Resident Account"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Promoter Selling Shareholder, the Syndicate, the Escrow Banks and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Jasatta and Bengaluru editions of the Kannada daily newspaper Vishwavani (Kannada being the regional language of Karnataka, where our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment advertisement

The Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, before 9 p.m. IST, on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from all the Stock Exchanges is received post 9:00 p.m. IST on the date of receipt of the final listing and trading approval from all the Stock Exchanges where the equity shares of the Issuer are proposed to be listed, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the BRLMs and the Registrar shall publish an allotment advertisement not later than one day after the date of commencement of trading, disclosing the date of commencement of trading in all editions of English national daily newspaper, Financial Express, all editions of Hindi national daily newspaper, Jansatta and Bengaluru editions of the Kannada daily newspaper Vishwavani (Kannada being the regional language of Karnataka, where our Registered Office is located) each with wide circulation.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Promoter Selling Shareholder 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 Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

(a) Our Company, the Promoter Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law which would then be termed as the Prospectus. The Prospectus will contain details of

the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be 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, 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, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- 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 at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within three Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within two Working Days from the Bid/Offer Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws 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 unsuccessful applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees, in accordance with the applicable provisions of the SEBI ICDR Regulations;
- that if our Company does not proceed with the Offer after the Bid/ Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;
- that if the Offer is withdrawn after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and
- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received; and
- except for any exercise of options vested pursuant to the ESOP 2020 and the ESOP 2018, no further issue of the Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.

Undertakings by the Promoter Selling Shareholder

The Promoter Selling Shareholder undertakes, in relation to itself and the Offered Shares that:

- the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Red Herring Prospectus with SEBI, such period determined in accordance with Regulation 8 of the SEBI ICDR Regulations;
- it is the legal and beneficial owner of the Offered Shares, and that such Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances;
- it shall deposit the Equity Shares offered by it in the Offer in an escrow account opened with the Registrar to the Offer prior to the filing of this Red Herring Prospectus with the RoC;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- it shall not have recourse to the proceeds of the Offer for Sale until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The statements and undertakings provided above, in relation to the Promoter Selling Shareholder, are statements which are specifically confirmed or undertaken, severally and not jointly, by Promoter Selling Shareholder in relation to itself and the Offered Shares. All other statements or undertakings or both in this Red Herring Prospectus in relation to the Promoter Selling Shareholder, shall be statements made by our Company, even if the same relate to the Promoter Selling Shareholder.

Utilisation of Net Proceeds

The Company declares that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Net Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made. The Government of India makes policy announcements on FDI through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. Further, the FDI Policy issued by the DPIIT consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

In terms of Press Note 3 of 2020, dated April 17, 2020 ("**Press Note**"), issued by the DPIIT, the FDI Policy and the FEMA Rules has been amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Further, in accordance with the amendment to the Companies (Share Capital and Debentures) Rules, 2014 vide notification dated May 4, 2022 issued by Ministry of Corporate Affairs, a declaration shall be inserted in the share transfer form stipulating whether government approval shall be required to be obtained under Foreign Exchange Management (Non-debt Instruments) Rules, 2019 prior to transfer of shares, as applicable. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the FEMA Rules and FDI Policy read with Press Note, up to 100% foreign investment under the automatic route is currently permitted in "Other Financial Services", which refers to financial services activities regulated by financial sector regulators, including the NHB, as notified by the Government of India, subject to conditions specified by the concerned regulator (in our case, the NHB), if any. However, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI 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 SEBI and RBI.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by Foreign Portfolio Investors*" on page 410.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares are being offered and sold (i) within the United States solely to persons who are reasonably believed to be U.S. QIBs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and 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 above information is given for the benefit of the Bidders. Our Company, the Promoter Selling Shareholder, and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Authorised Share Capital

Article 9 provides that, "The authorized share capital of the Company shall be such amounts and be divided as may, from time to time, as provided in Clause V of the Memorandum of Association. The share capital shall be payable in the manner as may be determined by the Board, from time to time. The Board, subject to the approval of the Shareholders, as prescribed under the Act, shall have the power to reclassify, increase, reduce, subdivide, repay or divide the share capital into several classes and to attach thereto any rights and to consolidate or subdivide or re-organize the shares, subject to the provisions of the Act and to vary such rights as may be determined in accordance with the Act."

Shares at the disposal of Directors

Article 6 provides that, "Subject to the provisions of the Act and these Articles and other Applicable Laws, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of the Act) and at such time as they may from time to time think fit, and with the approval of the Company in a General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors deem fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold or transferred or for any services rendered by the Company in the conduct of its business and any shares which may so be allotted may be issue as fully paid shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the approval of the Company in the General Meeting."

Article 7 provides that,

"(i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 or any other provision of the Act or other Applicable Law, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder. The Company may also, on any issue of shares, debentures or other securities pay such brokerage as may be lawful.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40 of the Act.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

(iv) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.

(v) To every such separate meeting, the provisions of these regulations relating to General Meetings shall ***mutatis mutandis*** apply, but so that the necessary quorum shall be as per the applicable provisions of the Act."

Further issue of Share Capital

Article 19 provides that, "Where at any time, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such shares shall be offered, subject to the provisions of Section 62 of the Act, and the rules made thereunder:

(a) to the person(s) who, at the date of the offer, are holders of the shares, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date.

(b) such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen (15) days or such lesser number of days as may be prescribed and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice as aforesaid shall contain a statement of this right; provided that the Directors may decline, giving reasons for refusal to allot any shares to any person in whose favour any member may renounce the shares offered to him.

(d) after the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the members and the Company; or

(e) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable laws; or

(f) to any person(s), whether or not those persons include the persons referred to in the clauses above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to such conditions as may be prescribed under the Act and the rules made thereunder, if a Special Resolution to this effect is passed by the Company in a General Meeting."

Shares and Certificates

Article 23 provides that,

"(i) Every person whose name is entered as a member in the register of members shall be entitled without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer sub-division, consolidation, renewal or transmission or within such other period as the conditions of issue shall be provided,
   (a) one certificate for all his shares without payment of any charges; or
   (b) Several certificates, each for one or more of his shares, upon payment of twenty rupees or as applicable for each certificate after the first.

(ii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the company secretary, wherever the Company has appointed a company secretary.
Provided that in case the Company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

(iii) In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.

(iv) Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive number of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may approve."

Article 24 provides that, "Every certificate shall be issued in accordance with the Companies (Share Capital and Debentures) Rules, 2014."

Article 25 provides that,

"(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees (20) for each certificate. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer. Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under any other act or rules applicable in this behalf.

(ii) The provisions of the Articles shall ***mutatis mutandis*** apply to debentures of the Company."

Lien

Article 46 provides that,

"(i) The fully paid shares will be free from all lien. Further, the Company shall have a first and paramount lien,
   (a) on every share/debenture (not being a fully-paid share/debenture), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debenture; and
   (b) on all shares/ debentures (not being fully paid shares/debentures) standing registered in the name of a single person, for all moneys presently payable by him or his estate to the Company.

Provided that in respect of any partly paid shares/ debentures of our Company, the lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares/ debentures
Provided that the Board of Directors may at any time declare any share/debenture to be wholly or in part exempt from the provisions of this clause. Unless otherwise agreed, the registration of a transfer of shares/ debentures shall operate as a waiver of the Company's lien if any, on such shares/ debentures.

(ii) 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/ debentures thereon."

Article 47 provides that, "The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made,
(i) unless a sum in respect of which the lien exists is presently payable; or
(ii) until the expiration of fourteen (14) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency."

Article 49 provides that,

"(i) The proceeds of the sale shall be received by the Company and applied in the payment of such part of the amount in respect of which the lien exists as is presently payable.
(ii) The residue, if any, shall subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid, to the persons entitled to the shares at the date of the sale."

Call on Shares

Article 50 provides that,

"(i) The Board may, from time to time, subject to the terms on which any, shares may have been issued and subject to the provisions of Section 49 of the Act, make calls as they think fit upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) held by them respectively and not by the conditions of allotment thereof made payable at fixed times;
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
(ii) Each member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
(iii) A call may be revoked or postponed at the discretion of the Board."

Article 51 provides that, "A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments."

Article 52 provides that, "The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent annum or at such lower rate, if any, as the Board may determine.
(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part."

Article 53 provides that, "Any sum which by the terms of issue of a share or otherwise becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made by the Board and of which due notice had been given and payable on the date on which by the terms of issue such sum becomes payable, and all the provisions herein contained in respect of calls shall relate to such amount or instalment accordingly.

In case of non-payment of such sum, all the relevant provisions of these regulations 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."

Forfeiture of Shares

Article 59 provides that, "If a member fails to pay any call or instalment of a call, on the day appointed for the payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued."

Article 62 provides that,

"(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit."

Article 63 provides that,

“(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.”

Article 70 provides that, “The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call made and notified.”

Transfer and Transmission of Shares

Article 74 provides that,

“(i) The Company shall use a common form of transfer. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and all provisions of the Act and of any statutory modification thereof for the time being shall be duly complied within respect of all transfer of shares and the registration thereof.

(ii) The instrument of transfer of any share or debenture in the Company shall be executed by or on behalf of both the transferor and transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company.

(iii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.”

Director may refuse to register transfer

Article 75 provides that, “Subject to the provisions of the Act, these Articles and any other applicable provisions of any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided further that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares. Subject to these articles, the Board may, subject to the right of appeal conferred by Section 58 of the Act, decline to register:

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.”

Article 76 provides that, “The Board may decline to recognise any instrument of transfer unless:

(a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of Section 56 of the Act;

(b) the instrument of transfer is accompanied by the certificate of the shares or debentures to which it relates or if no such certificate is in existence, along with the letter of allotment of the shares or debentures, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of shares.”

Article 77 provides that, “No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.”

Article 78 provides that, “On giving not less than seven (7) days’ previous notice in accordance with Section 91 of the Act and rules made thereunder, the registration of transfers of shares or debentures may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty (30) days at any one time or for more than forty-five (45) days in the aggregate in any year.”

Sweat Equity

Article 96 provides that, “Subject to the provisions of Section 54 and other applicable provisions of the Act and in accordance with the guidelines issued by any authority in this behalf, the Company may issue sweat equity shares of a class of shares already issued, to its employee(s) or Director(s).”

Buy-back of Shares

Article 97 provides that, “Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.”

Borrowing power

Article 98 provides that,

“(i) The Board may from time to time at its discretion as per Section 180(1)(c) of the Act, by a resolution passed at Meeting of the Board with the prior approval of Shareholders either in an advance of call or otherwise and generally raise or borrow money by way of deposits (public deposits, inter-corporate deposits or otherwise), loans, overdrafts, cash credit or by issue of bonds, debentures/ non-convertible debentures and other types or debentures stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, corporate body, bank, financial institution, Government or any Authority, or any other body (whether in India or abroad) for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed as may be required, subject to the applicable provisions of the Act and any other Applicable Law. The Board may exercise their power under these Articles to borrow or secure monies if the total amount borrowed (together with the amount already borrowed) exceeds the Company’s paid-up share capital, free reserves and securities premium, apart from temporary loans obtained from the Company’s bankers in the ordinary course of business, - with the approval of a resolution passed by the Shareholders under the applicable provisions of Act.

(ii) Subject to the provisions of the Act and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 or any other statutory enactment(s), modification(s) or amendment(s), thereof, the Board or a committee constituted by the Board, thereof shall have the power, subject to approval of the Shareholders (if required under Applicable Law), to consolidate or reissue its debt securities issued under the earlier ISIN from time to time, upon such terms and conditions and in such manner as the Board or Committee thereof may consider fit/ beneficial for the Company.”

Article 99 provides that, “Subject to the provisions of the Act, the payment or repayment of the moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by the issue of debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and debentures, and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.”

Term of issue of Debentures

Article 100 provides that, “Any debentures, debenture-stock or other securities may be issued at discount, premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meeting, appointment of Directors and otherwise, debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting accorded by a Special Resolution.”

Article 101 provides that, “If any uncalled capital of the Company is included in or charged by any mortgage or other security interest, the Directors may subject to the provisions of the Act and these presents, make calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.”

Article 102 provides that, “The Company shall comply with all the provisions of the Act in respect of the mortgages or charges created by the Company and the registration thereof and the transfer of the debentures of the Company and the register required to be kept in respect of such mortgages, charges and debentures.”

Dividend and Reserve

Article 103 provides that, “The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.”

Article 104 provides that, “Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the members such interim dividend as appear to it to be justified by the profits of the Company and the amount of such dividend shall be deposited in a separate bank account within five (5) days from the date of declaration of such dividend.”

Article 105 provides that, “No dividend shall be declared or paid by the Company for any Financial Year except out of the profits of the Company for that 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 or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of a guarantee given by that Government.”

Article 106 provides that,

“(i) Subject to the provisions of the Act, the Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable, for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends, and pending such application, may at the like discretion, either be employed in the business of the Company, or be invested in such investment (other than the shares of the Company) as the Board may, from time to time, think fit.

(ii) The Board may also carry forward any profits, which it may think prudent not to divide, without setting them aside as a reserve.”

Article 107 provides that,

“(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid of the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on share.”

Article 108 provides that, “All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect which the dividends is paid, but if any share is issued on terms providing that it shall rank for the purposes of dividend entitlement as from a particular date such shares shall rank for dividend accordingly.”

Article 109 provides that, “The Board may deduct from any dividend payable to any Shareholder all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.”

Article 110 provides that, “No dividend shall be payable except in cash provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of 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 the shares held by the Shareholders.”

Article 111 provides that,

“(i) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Shareholders, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(iii) Any one of two or more joint holders of a share may give effectual receipts for any dividend, bonuses or other moneys payable in respect of such share.

(iv) Notice of any dividend that may have been declared shall be given to the persons entitled to share therein the manner mentioned in the Act.”

Article 113 provides that, “No dividend shall bear interest against the Company.”

Article 116 provides that, “Subject to the provisions of Section 123 and 124 of the Act, where, a dividend has been declared by the Company but has not been paid or claimed within the applicable number of days as per the Act from the date of the declaration, to/by any Shareholder entitled to the payment of the dividend, the Company shall, within seven (7) days from the date of expiry of the said period transfer the total amount of dividend which remains unpaid or unclaimed within the said period, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “Unpaid Dividend Account of Aadhar Housing Finance Limited”. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer shall be transferred by the Company along with interest accrued, if any, to the Fund established under Section 125 of the Act for this purpose. No unclaimed or unpaid dividend shall be forfeited by the Board.”

General Meeting

Article 117 provides that, “All General Meetings other than annual general meetings shall be called extra-ordinary general meeting.”

Article 118 provides that,

“(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.”

Article 119 provides that, “Not less than twenty-one (21) clear days’ prior written notice of all General Meetings shall be given to the Shareholders at their respective addresses notified by them to the Company in writing, provided however that, a General Meeting may be convened by a shorter notice in accordance with the Act.”

Article 120 provides that, “Every notice of the General Meeting shall specify the place, day and hour of the meeting and shall contain a statement of the business to be transacted thereat. Where any business consists of ‘special business’ under the provisions of the Act, there shall be annexed to the notice a statement complying with Sections 102 of the Act”

Article 122 provides that, “Where any resolution is intended to be passed as a Special Resolution at any General Meeting as required by Section 114 of the Act, notice of such meeting specifying the intention to propose the resolution as a Special Resolution shall be served.”

Article 124 provides that, “The Board shall provide the Company’s previous Financial Year’s audited Financial Statements and all other documents required under the Act to all Shareholders at twenty one (21) days before the General Meeting along with notice which is held to approve and adopt such audited Financial Statements.”

Article 126 provides that,

“(i) Every annual general meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Registered Office of the Company or at some other place within the City or town in which Registered Office of the Company is for the time being situated as the Board may determine and notices calling the Meeting shall specify it as the annual general meeting. Provided that the annual general meeting may be held at any place in India if consent is given in writing or by electronic mode by all the Shareholders in advance. In accordance with the provision of the Companies Act 2013 u/s 96 (2) (as amended) if full consent of all the shareholders is not received in writing or by electronic mode in advance, the annual general meeting shall be held at the Registered office of the Company.
(ii) In accordance with the Provisions of Section 102 of the Act, in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special, with the exception of business relating to (a) the consideration of the accounts, balance sheet and the reports of the Board and Auditors, (b) the declaration of a dividend, (c) the appointment of Directors in the place of those retiring, and (d) the appointment of and the fixing of the remuneration of, the Auditors; and
(iii) In the case of any other meeting, all businesses shall be deemed special.”

Proxy

Article 128 provides that,

“(i) The instrument appointing a proxy and the power of attorney or other authority if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office not less than forty eight (48) hours before the time for holding the Meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
(ii) An instrument appointing a proxy shall be in the form as prescribed in the rules under Section 105 of the Act.
(iii) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or Adjourned Meeting at which the proxy is used.”

Proceedings at General Meeting

Article 129 provides that,

“(i) No business shall be transacted at any General Meeting unless a specified quorum of Shareholders is present at the time when the meeting proceeds to transact business.
(ii) The quorum and other provisions of Section 103 of the Act for the General Meetings shall be applicable to the Company.”

Article 130 provides that "Subject to the Act, the quorum for a General Meeting shall be five (5), present in person, holding Equity Shares of the Company."

Article 132 provides that, "Subject to the provisions of the Act, resolutions may be passed at a General Meeting by a vote of a majority of the shares present and voting at the General Meeting."

Article 133 provides that, "No resolution shall be deemed to have been duly passed by the Shareholders by postal ballot, unless the resolution has been circulated in draft form, together with the information required to make a fully-informed, good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, to all Shareholders at their usual address, and has been approved by majority in writing by those Shareholders which are entitled to vote on the resolution"

Article 134 provides that, "Every Director shall have the right to attend any meeting of the Company and also to take part in the discussion even if he may not hold any shares in the Capital of the Company."

Article 135 provides that, "The Chairman if any, of the Board, shall preside as Chairman at every General Meeting of the Company."

Article 136 provides that, "If there is no such Chairman or if he is not present within fifteen (15) minutes after the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of the Directors to be the Chairman of the meeting."

Article 137 provides that, "If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen (15) minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of the members to be Chairman of the meeting."

Adjournment of meetings

Article 139 provides that, "When a meeting is adjourned *sine die*, notice of the Adjourned Meeting shall be given in the same manner as in the case of an original meeting, and save as aforesaid it shall not be necessary to give any further notice of an adjournment or of the business to be transacted at an Adjourned Meeting."

Article 140 provides that,

"(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
(ii) No business shall be transacted at any Adjourned Meeting other than the business left unfinished at the meeting from which the adjournment took place.
(iii) When a meeting is adjourned for thirty (30) days or more, notice of the Adjourned Meeting shall be given as in the case of an original meeting.
(iv) 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."

Article141 provides that, "The accidental omission to give notice of any General Meeting or any irregularity in the notice of any General Meeting or the non-receipt of any notice by any Shareholder, Director or the Auditor of the Company shall not invalidate any resolution passed or any proceedings taken at any General Meeting."

Voting rights

Article 142 provides that,

"(i) Subject to any rights or restrictions for the time being attached to any class or classes of shares,
    (a) On a show of hands, every member present in person shall have one vote; and
    (b) On a poll, the voting rights of members shall be in proportion to his share in the paid-up Equity Share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
(ii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
(iii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
(iv) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, 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.
(v) Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.

(vi) 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.
(vii) No objection shall be raised to the qualification of any voter except at the meeting or Adjourned Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
(viii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive."

Board of Directors

Article 144 provides that, "The number of the Directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them."

Article 145 provides that,

"(i) The remuneration of the Managing Director/Whole Time Director(s)/Executive Director(s) may be, in so far as it consists of a monthly payment or specified percentage of net profits of the Company or partly by one way and partly by other way and, be deemed to accrue from day-to-day as per the provisions of the Act.
The remuneration of Non-Executive Directors/Independent Director may be by way of Sitting Fees for attending the Meeting(s) of Board of Directors or various Committees.
(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them,
(a) In attending and returning from meetings of the Board of Directors or any committee thereof or General Meetings of the Company; or
(b) In connection with the business of the Company."

Article 146 provides that, "The Board may pay all expenses incurred in getting up and registering the Company or its Subsidiary."

Article 147 provides that, "The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreigner register; and the Board may subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register."

Article 148 provides that, "All cheques, promissory notes, drafts, ***hundis***, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine."

Article 149, "Every Director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose."

Article 150 provides that,

"(i) Subject to the provisions of Section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
(ii) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act."

Article 151 provides that, "The number of Directors shall not be less than the number prescribed as minimum and the maximum limit as specified by the Act."

Article 156 provides that, "Directors of the Company shall be liable to retire by rotation in accordance with the provisions of the Act."

Article 157 provides that, "A person shall not be eligible of being appointed as a Director, if he does not qualify as per the condition provided under Section 164 of the Act."

Article 162 provides that, "A Director is not required to hold any qualification share(s)."

Article 175 provides that "The Board shall have the power, at any time and from time to time, to appoint any person as Director in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in these regulations. Any Director so appointed, shall hold office only until the next following annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier, but shall be eligible thereat for election as Director subject to the provisions of the Act."

Article 175A provides that "The Board of Directors of the Company will be authorised, in accordance with the requirement of prevailing applicable SEBI Regulations, laws/ statutes in force and the trust deed entered into with the Debenture Trustees in connection with the issue of Debentures/ Bonds, to appoint a person nominated by the Debenture Trustees as a Director on the Board of the Company (to be referred as “Debenture Director”) within the timelines permitted by applicable law. Debenture Director shall ipso facto vacate such office immediately upon the money owed by the Company to the Debenture holders is paid off or on satisfaction of the liability of the Company on this account.”

Managing Director or Whole Time Director

Article 182 provides that, “Subject to the provisions of the Act,

(i) A chief executive officer, manager, company secretary and chief financial officer shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
(ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
(iii) Same Individual can be appointed or re-appointed as Chairperson of the Company and/ or Managing Director / Chief Executive Officer of the Company at the same time.”

Articles 183 provides that, “A provision of the Act or these regulations requiring or authorising a thing to be done or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, in place of, chief executive officer, manager, company secretary or chief financial officer.”

Article 184 provides that, “The Board may, from time to time subject to the provisions of Section 196, 197, and Schedule V to the Act, appoint one or more of the Directors to the office of the Managing Director (“Managing Director”) for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. Such appointment will be automatically terminated if the Director concerned ceases to be a Director.”

Article 185 provides that, “The Managing Director shall be responsible for the day-to-day management of the Company.”

Article 186 provides that, “Subject to provisions of the Act, a Managing or whole-time Director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in other) as the Board may determine subject to the approval of the Shareholders at the next General Meeting.”

Proceedings of the Board

Article 188 provides that, “The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.”

Article 189 provides that, “A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.”

Article 190 provides that,

“(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.”

Article 191 provides that, “The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.”

Article 192 provides that,

“(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be Chairperson of the meeting.”

Article 193 provides that,

“(i) The Board may, subject to the provisions of the Act and Articles 160 to 163 herein, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by Board.

Article 194 provides that,

“(i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.”

Article 195 provides that,

“(i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.”

Article 196 provide that, “All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director. Provided that this Article shall not give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.”

Article 198 provides that, “The Board shall meet at least once every quarter of each Financial Year subject to an annual schedule and confirmation of the date of the next Board meeting at the previous Board meeting or if no such determination is made, then as determined by the Chairman. The Directors may meet together for the discharge of the business, adjourn and otherwise regulate their meetings and proceedings, as they think fit”.

Books of Accounts

Article 210 provides that,

“(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.

(ii) No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in General Meeting.”

Auditors

Article 219 provides that,

“(i) The Company shall, in accordance of Section 139, 141 and 142 and other applicable provisions of the Act, at each annual general meeting, appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meetings and shall within the time applicable as per the Act for the appointment give intimation thereof to every Auditor so appointed, unless he is a retiring auditor, and also file a notice of such appointment with the Registrar.”

(ii) In addition, the following provisions shall have effect, that is to say, at any annual general meeting, a retiring Auditor or Auditors, by whatsoever authority appointed, shall be re-appointed, unless:

a. he is or they are not qualified for appointment;

b. he has or they have given the Company notice in writing of his or their unwillingness to be re-appointed

c. a resolution has been passed at that meeting appointing somebody instead of him or them or providing expressly that he or they shall not be re-appointed; or

d. where notice has been given of an resolution to appoint some other person or persons in the place of retiring Auditor or Auditors and by reason of the death, incapacity of disqualification of that person, or of all those persons, or winding up in case of Company, or firm or other body corporate, as the case may be, the resolution cannot be proceeded with.

(iii) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing Auditor shall continue to be the Auditor of the Company.

(iv) The Board may fill any casual vacancy in the office of an Auditor or Auditors, but whilst any such vacancy continues, the remaining Auditors or Auditors, if any, may act. Provided that where such vacancy is caused by the resignation of an Auditor or Auditors, the vacancy shall also be approved by the Company at a General Meeting convened within three months of the recommendation of the Board.

(v) Any Auditor or Auditors appointed in casual vacancy shall hold office until the conclusion of the next annual general meeting.

(vi) Any Auditor or Auditors appointed by the Board may be removed from office before the expiry by the Shareholders as provided under the Act.

(vii) If it is proposed to appoint as Auditor or Auditors a person or person other than a retiring Auditor or Auditors, the provisions of Section 140 of the Act shall be complied with."

The seal

Article 209 provides that, "The Directors shall provide a Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereto and the Directors shall provide for the safe custody of the seal for the time being. The seal of the Company shall not be annexed to any instrument except by the authority of a resolution passed by the Board of Directors or the Committee of the Board authorized by it in that behalf, if required and except in the presence of at least 2 (two) Authorised signatories as approved by the Board or the Committee from time to time, to be signed at any branch or office/location."

For the protection of Directors and Officers

Article 223 provides that,

"Subject to relevant provisions of the Act, no Director of the Company shall be liable to the Company for:

(a) the act, receipts, neglects or defaults of any other Director or officer or employee;

(b) any loss, damages or expense incurred by the Company through the insufficiency or deficiency of title to any property acquired by the Company or for or on behalf of the Company;

(c) the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to the Company shall be placed out or invested;

(d) any loss or damage arising from bankruptcy, insolvency or tortious act of any person including any person with whom any money securities or effects shall be lodged or deposited;

(e) any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Company;

(f) any other loss damage or misfortune whatever which may happen in the execution of the duties of his respective office of trust or in relation thereto;

unless the same happens by or through his negligence, default, misfeasance, breach of duty, breach of trust of which he may be guilty in relation to the Company or his failure to exercise the power in good faith with a view to the best interests of the Company with care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances."

Indemnities to Directors or Officers

Article 226 provides that, "Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal."

Secrecy

Article 229 provides that, "Every manager, Auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board, before entering upon their duties, sign a declaration pledging himself to observe strict secrecy respecting all bona fide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board or by any General Meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these presents and the provisions of the Act."

Winding up

Article 232 provides that, "Subject to the provisions of Chapter XX of the Act and rules made thereunder:

(i) 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.

(ii) 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.

(iii) 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."

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered 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) which are or may be deemed material will be attached to the copy of this Red Herring Prospectus which will be filed with the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office and Corporate Office between 10 a.m. and 5 p.m. IST on all Working Days, and shall also be available for inspection on our website at https://aadharhousing.com/investor-relations/offer-documents from the date of this Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated January 31, 2024 among our Company, the Promoter Selling Shareholder, and the Book Running Lead Managers.

2. Amendment agreement to the Offer Agreement dated April 22, 2024 among our Company, the Promoter Selling Shareholder, and the Book Running Lead Managers.

3. Registrar Agreement dated January 31, 2024 among our Company, the Promoter Selling Shareholder, and the Registrar to the Offer.

4. Cash Escrow and Sponsor Banks Agreement dated April 30, 2024 among our Company, the Promoter Selling Shareholder, the Registrar to the Offer, the Book Running Lead Managers, the Syndicate Members, and the Bankers to the Offer.

5. Share Escrow Agreement dated April 30, 2024 among our Company, the Promoter Selling Shareholder, and the Share Escrow Agent.

6. Syndicate Agreement dated April 30, 2024 among our Company, the Promoter Selling Shareholder, the Book Running Lead Managers, the Syndicate Members, and the Registrar to the Offer.

7. Underwriting Agreement dated [●] among our Company, the Promoter Selling Shareholder, and the Underwriters.

8. Monitoring Agency Agreement dated April 30, 2024 between our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.

2. Certificate of incorporation dated November 26, 1990 issued by the RoC in the name of ‘Vysya Bank Housing Finance Limited’.

3. Fresh certificate of incorporation dated October 15, 2003 issued by the RoC upon change in name of our Company from ‘Vysya Bank Housing Finance Limited’ to ‘DHFL Vysya Housing Finance Limited’.

4. Fresh certificate of incorporation dated December 4, 2017, issued by the RoC upon change in name of our Company from ‘DHFL Vysya Housing Finance Limited’ to ‘Aadhar Housing Finance Limited’ pursuant to the Scheme of Amalgamation.

5. Copy of the Scheme of Amalgamation.

6. Certificate of commencement for business dated November 27, 1990, issued by the RoC.

7. Copies of annual reports of our Company for the Fiscal Years 2023, 2022, and 2021.

8. Resolutions of our Board of Directors and our IPO Committee dated January 21, 2024 and January 31, 2024, respectively, authorising the Fresh Issue, the Offer and other related matters.

9. Resolution of the Shareholders of our Company dated January 24, 2024 authorising the Fresh Issue and other related matters.

10. Consent letter dated April 22, 2024 provided by BCP Topco, consenting to participate in the Offer for Sale.

11. Resolution of IPO Committee dated April 22, 2024 taking on record the consent letter dated April 22, 2024 provided by BCP Topco, consenting to participate in the OFS.

12. Resolutions of the Board of Directors and our IPO Committee dated January 30, 2024 and January 31, 2024, respectively, approving the Draft Red Herring Prospectus.

13. Resolutions of the Board of Directors dated April 30, 2024, approving this Red Herring Prospectus.

14. Consent letter from CRISIL dated April 20, 2024 for the CRISIL Report.

15. The report titled *"Industry report on housing finance focused on low income housing segment"* dated April 2024 prepared by CRISIL, which has been commissioned by and paid for by our Company pursuant to an engagement letter with CRISIL dated November 20, 2023, exclusively for the purposes of the Offer, which is available on the website of our Company at https://aadharhousing.com/investor-relations/offer-documents.

16. The report dated April 30, 2024 on the statement of possible special tax benefits issued by our Joint Statutory Auditors.

17. Examination report dated April 15, 2024 of our Joint Statutory Auditors on the Restated Consolidated Financial Information, included in this Red Herring Prospectus.

18. Consent letters of the Promoter Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, legal advisor to the Offer, Bankers to our Company, the Book Running Lead Managers, independent chartered accountant, the Syndicate Members, the Bankers to the Offer, the Registrar to the Offer and the Monitoring Agency to act in their respective capacities.

19. Our Company has received written consent dated April 30, 2024 from Walker Chandiok & Co LLP and Kirtane & Pandit LLP, Chartered Accountants, who hold valid peer review certificate from ICAI, to include their name as required under the SEBI ICDR Regulations in this Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as our Statutory Auditor and in respect of their examination report dated April 15, 2024 relating to the Restated Consolidated Financial Information; and (ii) reports each dated April 30, 2024 on the statement of possible special direct tax benefits and statement of possible special indirect tax benefits as included in this Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

20. Resolution of the Audit Committee dated April 30, 2024 approving our key performance indicators.

21. Certificate dated April 30, 2024 from S K Patodia & Associates LLP, Chartered Accountants with respect to our key performance indicators.

22. Aadhar Housing Finance Limited – Employees Stock Option Plan 2018.

23. Employee Stock Option Plan 2020.

24. Resolutions each dated January 3, 2023 of our Board for the appointment of Rishi Anand, Managing Director and Chief Executive Officer and Deo Shankar Tripathi, Whole – Time Director and Executive Vice-Chairman.

25. In-principle listing approvals each dated March 7, 2024 issued by BSE and NSE, respectively.

26. Tripartite agreement dated January 12, 2021 among our Company, CDSL and the Registrar to the Offer.

27. Tripartite agreement dated April 10, 2019 among our Company, NSDL and the Registrar to the Offer.

28. Due diligence certificate dated January 31, 2024 addressed from the Book Running Lead Managers to SEBI.

29. SEBI final observation letter no. SEBI/CFD/DIL2/2024/13635/1 dated April 5, 2024.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to our Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Om Prakash Bhatt
Non-Executive Chairman and Independent Director

Place: Mumbai
Date: April 30, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Sharmila A. Karve
Independent Director

Place: Chicago
Date: April 30, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Nivedita Haran
Independent Director

Place: New Delhi
Date: April 30, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Amit Dixit
Non – Executive (Nominee) Director

Place: Mumbai
Date: April 30, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Mukesh Mehta
Non – Executive (Nominee) Director

Place: Mumbai
Date: April 30, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Prateek Roongta
Non – Executive (Nominee) Director

Place: Mumbai
Date: April 30, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Deo Shankar Tripathi
Whole – Time Director and Executive Vice Chairman

Place: Mumbai
Date: April 30, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

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Rishi Anand
Managing Director and Chief Executive Officer

Place: Mumbai
Date: April 30, 2024

DECLARATION

I hereby confirm, certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosure and undertaking made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended or rules made or guidelines or regulations issued there under, as the case may be. I further certify that all statements, disclosures and undertakings made in this Red Herring Prospectus are true and correct.

Signed by the Chief Financial Officer of our Company

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Rajesh Viswanathan
Chief Financial Officer

Place: Mumbai
Date: April 30, 2024

DECLARATION

We, BCP Topco VII Pte. Ltd., hereby confirm that all statements, disclosures and undertakings specifically made by us in this Red Herring Prospectus in relation to ourselves, as a Promoter Selling Shareholder and our Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Red Herring Prospectus.

FOR AND ON BEHALF OF BCP TOPCO VII PTE. LTD.

Authorised Signatory

Name: Kwan Ting Geoffrey Chung
Designation: Director

Place: Singapore
Date: April 30, 2024